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14 AUGUST 1986

EAST EUROPE REPORT

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YUGOSLAV MACHINE, TRANSPORT EQUIPMENT EXPORTS TO USSR

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 4-5 Jul 86 p 6

[Article by S. Zdravkovic: "On the USSR Market: New Bridges for Cooperation"]

[Text] For a number of years the Yugoslav machinebuilding industry has been continuously present on the market of the USSR. The results achieved, especially over the last 5 years (1981-1985), show that the Soviet Union is the largest purchaser of the products of the Yugoslav machinebuilding industry and that thanks to achievements in this sector overall visible trade between the two countries has experienced a sizable growth. In this connection we should bear in mind that many export opportunities on both sides have not been utilized in this area, which opens up room for establishment of new bridges of cooperation.

Exports of machines and transportation equipment from the SFRY to the USSR have been growing steadily. At the same time the share of the Soviet market in total exports of machines and transportation equipment from Yugoslavia have been growing year after year. Annual exports from Yugoslavia to the USSR of machines alone run between 800 and 900 million dinars, and when exports of transportation equipment are also taken into account, then the total value of those sales runs between \$1.3 and \$1.7 billion. (These figures are for 1984 and 1985.)

The Soviet trading partners absorb between one-third and two-fifths of total exports of machines and transportation equipment from the SFRY. Sales to that area of capital goods and equipment represent 10-15 percent of the value of total visible Yugoslav exports (see the table).

In an Ever Broader Area

Just the few figures given suggest the conclusion that to a certain extent Soviet organizations have become familiar with the achievements of Yugoslav producers in the field of machinebuilding. But technical and technological processes are steadily improving in this field. This is creating a supply of new products which in their quality and other characteristics can satisfy even the exacting world customers with high requirements. What Yugoslav producers have learned about the state of the art technologies of the most advanced countries of the West and East and also about their possibility of practical application

through conclusion of specific business contracts opens up considerable room for still broader cooperation between the SFRY and the USSR.

Exports of the Yugoslav Machinebuilding Industry to the USSR, 1981-1985, in thousands of dollars

<u>Indicator</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1981</u>
Total visible exports of SFRY	1,678,894	4,071,995	8,977,300	10,204,343
Exports of machines and transportation equipment from SFRY--total	381,122	1,141,482	2,546,082	2,935,176
Exports of machines and transportation equipment to USSR	93,954	263,406	77,886	992,377
Share of exports of machines and transportation equipment to USSR, in %:				
In total visible exports	5.6	6.5	0.9	9.7
In exports of machines and transportation equipment	24.6	23.1	3.1	33.8
	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Total visible exports of SFRY	9,923,101	9,693,181	10,254,295	10,641,577
Exports of machines and transportation equipment from SFRY--total	3,098,614	3,044,143	3,177,788	...
Exports of machines and transportation equipment to USSR	1,132,194	1,102,629	1,260,055	1,687,609
Share of exports of machines and transportation equipment to USSR, in %:				
In total visible exports	11.4	11.4	12.3	15.8
In exports of machines and transportation equipment	36.5	36.2	39.6	...

Source: Figures of the Federal Bureau of Statistics.

According to the commodity lists which are the basis for exports and imports of machines, equipment, and transportation equipment between our two countries, Yugoslavia is an especially important trading partner of Soviet business

executives in the domain of deliveries of metal equipment, equipment for the food processing industry, equipment for the leather and footwear industry, machine tools (for cutting, special machine tools, and so on), machine assemblies, equipment and devices installed as components in metal-cutting machine tools, forging machines, motor vehicle assembly lines and assemblies for walking excavators, [sic] they are also present in sales of hydraulic and pneumatic equipment figuring as components in metallurgical and mining equipment, hydraulic presses, special technological equipment for the communications equipment industry, and the steel fittings and steel door bolts industry.

Great inroads have been recorded, especially since the Moscow Olympics, in deliveries of city and intercity automatic telephone offices, automatic telex and telegraph offices, and even earlier in the sectors of marine equipment and sets of parts for production of trucks. Soviet trading partners are showing ever greater interest in construction machinery and the equipment of Yugoslav manufacturers made under the licenses of leading world firms or on the basis of their own designs (for example, loaders, rollers, and so on). In business collaboration in the field of machinebuilding there has been a faster growth of the share of equipment with a high degree of automation, which guarantees efficiency in economic employment and reduced possibility for the occurrence and piling up of rejects. As a rule Soviet importers judge the quality of the equipment they need from Yugoslav trading partners to be high, their appraisals are flattering, and this becomes a reference for cooperation on new programs.

The Diversity of Metallurgical Equipment

The many years of cooperation in the domain of metallurgical equipment deserves separate mention. Soviet interest in purchasing this equipment is justified by the fact that the Yugoslav offering is diverse and keeps up with the most up-to-date world advances. With respect to the offering of coke equipment the most important places are occupied by rams for pushing out the coke, machines for removing and placing the doors on coke ovens, car dumpers for charging the coal, ascension pipes, etc. Under the heading of blast furnace equipment, the export products of the Yugoslav economy are valves, plate dampers, cocks, and filters for blast furnaces of various types, power tools to break the lining on furnaces when the melt is discharged, and casting ladles.

Among the equipment for sintering plants attention should be paid to sintering cars, coal crushers, and screens for hot and cold sintering. Yugoslav export products under the heading of equipment for rolling mills include winders (for winding wire and cable), unwinders for wire and cable, spindles, stands, friction clutches and reducers for rolling mills.

Especially notable results have been achieved in terms of business done and new business concluded with trading partners from the USSR by the SOUR "Ivo Lola Ribar" of Belgrade (Zeleznik), "Masinska industrija Nis" of Nis, the SOUR "Rade Koncar" of Zagreb, "Gosa" of Smederevska Palanka, the SOUR "Djuro Djakovic" of Slavonski Brod, "Litostroj" of Ljubljana, TTU of Tuzla, STT of Trbovlje, "Energoinvest" of Sarajevo, "Metalna" of Maribor, the SOUR "Minel" of Belgrade, "Riko" of Kraljevo (Ribnica), "Iskra" of Kranj, "Fabrika kablova" of Svetozarevo, and "Crvena zastava" of Kragujevac.

Interest in Both Directions

Cooperation with the USSR in the machinebuilding field is also taking place in the opposite direction, and that means that there is widespread interest on the part of Yugoslav organizations in imports of products from that segment of Soviet industry. On the list of the most important imports of products of machinebuilding and other industrial branches of the SFRY are metal-cutting machine tools, locomotives and electric motor trains, trucks, devices for medical X-ray techniques, integrated microcircuits, equipment for the textile industry, equipment for the polymer industry and rubber processing, dredges, powerful bulldozers, bearings, diamond tools, tools for working metal, marine equipment, and so on. The volume of imports of machines and transportation equipment from the USSR achieved on the Yugoslav side does not differ essentially from the exports, which means that there is mutual interest in comprehensive cooperation in this area in coming years as well.

The prospects for sales of Yugoslav equipment, including machines and transportation equipment, during the current medium-term period (1986-1990) can be given a very favorable evaluation on the basis of trends to date. The necessary confidence has been gained through the many years of cooperation, and the foundations have been laid for dynamic performance of new programs. In addition to the more than 100 types (groups) of various products in the field of machinebuilding which have so far found a place on the Soviet market, according to the contacts that have been made between the economies of the USSR and the SFRY and between their trade representatives, we can anticipate that the group of products from Yugoslavia will be expanded by at least 10-15 new types.

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CSO: 2800/311

VALUE OF YUGOSLAV CONSTRUCTION WORK IN USSR

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 11 Jul 86 p 5

[Text] In recent years the market of the USSR has become increasingly important for employment of the capacity of the Yugoslav construction industry, which has incidentally been operating there for about 25 years. Many of the results achieved over that period have provided important references for the Yugoslav construction industry.

Between 2 and 6 percent of the total value of work done on capital investment projects by the Yugoslav construction industry abroad is done in the USSR, and nearly two-thirds of all its work is done in the CEMA countries. A faster pace of cooperation has especially been recorded since 1982, and, judging by the mutual long-term interest in performance of this work, achievement of still better results this year and in coming years of the current medium-term period can be anticipated with considerable confidence. The market of the USSR is among the most important from the standpoint of employment of the Yugoslav construction industry, even in comparison with the developing countries (Iraq, Libya, and Algeria), where the highest degree of employment of this segment of the Yugoslav economy is achieved.

Given the problematical conditions that prevail on the world market for work on capital investment projects, the representation of Yugoslav organizations in work in the USSR has been accompanied by achievement of certain advantages over competitive firms from other countries. They are usually manifested in the following: the experience gained and references (over a long period of time opportunities open up so that large and complicated programs can be presented competently and authoritatively); exceptionally good relations (political and economic) and the good and established business cooperation with a sizable number of Soviet organizations involved in letting contracts and in carrying out this work on behalf and on the account of the investors.

Among a Number of Favorable Assessments

Investors of the Soviet Union have very favorably evaluated the activity of the Yugoslav construction industry on their market to date. This especially applies to projects which represent only a portion of the group of important ones which have been built over the last 10 years or so, such as the following: construction and installation work on a hotel complex at Sochi, design

and construction of four cargo-handling complexes for general cargo in the port of Reni, which is the largest on the Danube, construction of a complete steel mill at Zhlobin, construction, installation, and finishing work at the Dagomys Athletic and Recreation Center in Sochi; "turnkey" construction of a settlement of 60 prefabricated cottages with infrastructure at Rasskazovo, design and construction, installation, and finishing work on the reconstruction and furnishing of the Grand Hotel in Yalta; "turnkey" construction of a wing of dormitories to accommodate 484 in a section of the "Zapolariye" Baths in Sochi; design, installation, finishing work, and installation of material and equipment for the Institute of Bioorganic Chemistry imeni M.M. Shemyakin in Moscow; construction of the "Soyuz" Hotel in Moscow as well as construction of a part of the Siberian Gas Pipeline (design and construction of compressor stations on the Urengoy-Uzhgorod Gas Pipeline).

Work is under way on construction of a large agricultural and food processing complex in the Kuban, where all the designs have been completed for a Soviet agricultural giant of the future. Several apartment buildings and a hotel are now under construction, and preparations are also being made to build the first four factories for manufacturing packaging and confectionery products. Preparations are also under way for carrying out new programs in the fields of the agroindustrial complex, housing projects, and hotels.

Either With Concerted Efforts or Independently, But Always Successfully

All of these results have expanded the group of organizations operating on the market of the USSR, so that there are already more than 20 of them. Notable results have been achieved on that market by the business communities "Union-inzenjering" of Belgrade, "Ingra" of Zagreb, "Makedonijainvest" of Skopje, and "Zavraj" of Belgrade, as well as the complex organizations and work organizations "Komgrap" of Belgrade, "Ivan Milutinovic" of Belgrade, "Metalka" of Maribor, "Montenegroexport" of Titograd, "Investimport" of Belgrade, "Trudbenik" of Belgrade, "Ratko Mitrovic" of Belgrade, "Industrogradnja" of Zagreb, "Ivan Lucic--Lavcevic" of Split, "Unioninvest" of Sarajevo, "Mavrovo" of Skopje, "Iskrakomerc" of Ljubljana, and so on.

Value of Work Done and Design Services of the Yugoslav Construction Industry in the USSR

<u>Indicator</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Value of work done abroad--total, in millions of \$ U.S.	1,668.0	2,136.0	2,509.0	2,623.0	1,972.0	1,953.0
Value of work done in CEMA countries, in millions of \$ U.S.	183.6	155.1	133.8	250.6	188.0	115.4
Value of work done in USSR, in millions of \$ U.S.	47.8	62.9	46.6	148.0	126.7	74.1
Column 4:Column 2, in %	2.9	2.9	1.9	5.6	6.4	3.8
Column 4:Column 3, in %	26.0	40.6	34.8	59.1	67.4	64.2

Source: Figures of the Federal Bureau of Statistics.

Aside from the independent operations of individual organizations from Yugoslavia, jobs are done in concert involving several Yugoslav organizations and enterprises from the USSR, which facilitates more rapid and better-quality construction and at the same time opens up room for sales of equipment and materials of Yugoslav producers. The most up-to-date technical advances on the basis of experience gained on numerous construction projects all over the world are used in the work of the Yugoslav organizations. It is not out of the way to mention that several organizations from the SFRY are among the largest world contractors doing construction and design work.

Ever better results are being achieved in obtaining consulting work embracing several specific activities of a single firm on behalf of the investors, beginning with suggestion of the choice of possible projects and contractors and going all the way to selection of the best equipment and materials with respect to quality, price, and delivery dates offered by their producers. The developing of consulting offers a good basis for establishing cooperation with enterprises from the Soviet Union not only on that country's market, but also in operations on third markets. Significant opportunities for cooperation also exist in combining Yugoslav construction capabilities with Soviet technical advances, especially on projects being contracted for and carried out in the developing countries. This kind of cooperation could bring benefit to both sides, since it provides for acceptance and performance of complicated programs which are usually contracted for on the "turnkey" system.

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CSO: 2800/314

YUGOSLAV CONSTRUCTION WORK IN CEMA COUNTRIES

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 11 Jul 86 p 5

[Text] Yugoslav construction organizations have been active for a number of years in the countries of the socialist community (CEMA). There are between 10 and 15 organizations from all parts of the country operating in that region, among which the following hold a notable place with respect to their performance: "Komgrap," "Ratko Mitrovic," "Trudbenik," "Termoelektro" all of Belgrade, "Hidroelektra" of Zagreb, IMP of Ljubljana, and the members of the business communities "Unioninzenjering" and "Montinvest" of Belgrade, "INGRA" of Zagreb, and "Makedonijainvest" of Skopje.

The socialist countries are second to the developing countries in the amount of work done. Although the share of the CEMA region in the breakdown of work done and design services offered has been dropping (for example, in 1978 it was 17.5 percent, but in 1984 9.5 percent), the involvement of Yugoslav organizations here is still significant. Every year work is done with a value between \$150 and \$250 million, mainly in the fields of high-rise construction and pipeline transportation (civil engineering). Considerably less work has been done in other construction fields, but continuity is being maintained in the offering of design service as well as in doing installation and finishing work.

Work Done on Capital Investment Projects and Design Services of Yugoslav Organizations in the CEMA Countries

<u>Indicator</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985 (Jan-Sep)</u>
Total	183.6	155.1	133.8	250.6	188.0	60.1
USSR	47.8	62.9	46.6	148.0	126.7	31.2
Czechoslovakia	64.8	27.6	65.5	64.0	44.4	18.2
GDR	69.1	64.0	21.7	38.5	16.5	9.3
Other countries	1.9	0.6	0.0	0.1	0.4	1.4

Source: Figures of the Federal Bureau of Statistics.

Among the socialist countries the most important trading partners of the Yugoslav construction industry and of the organizations associated with their work on capital investment projects are the Soviet Union, Czechoslovakia, and the

GDR. It is in those countries that most of the work is done in that region. The USSR has a share of 60-68 percent of the value of work done and design services, Czechoslovakia a share of 20-24 percent, and the GDR 5-8 percent.

Yugoslav organizations operate independently in the countries of that region or in collaboration with firms from the advanced countries of the West or again with firms from the countries where the work is being done.

The most important jobs that have been done in that region aside from the USSR, Czechoslovakia, and the GDR have been in the following countries:

Bulgaria--delivery of equipment, supervision over installation and the training of personnel for a diode production line and a transistor production line in Beteugrad;

Hungary--reconstruction of Zsenye Castle; adaptation and restoration of the interiors and exteriors of architecturally important buildings in the center of Pecs.

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CSO: 2800/314

YUGOSLAV CONSTRUCTION IN MONGOLIA

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 11 Jul 86 p 7

[Text] Belgrade, 10 Jul (TANJUG)--The work organization "Generaleksport" today signed a contract with "Mongol-Impex" on construction of a convention center and hotel in Ulan Bator, the capital of Mongolia. The value of the work, which is to be done by both Yugoslav and Mongolian firms, is \$34.8 million.

Work on the construction project will begin soon and is to be completed by 1991 when the 20th Congress of the Communist Party of Mongolia is to be held in the new facilities.

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CSO: 2800/314

YUGOSLAVIA TO PARTICIPATE IN BUILDING DANUBE HYDROSYSTEM

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 11 Jul 86 p 7

[Text] Belgrade, 10 Jul (TANJUG)--In competition with firms from eight European countries Yugoslav builders have obtained a contract worth \$49.5 million. The reference is to construction of the large Gabcikovo-Madjmaros Hydrosystem on the Danube which is to be carried out by Hungary and Czechoslovakia. The contract was won by the Belgrade foreign trade enterprise "Brodoimpeks" with the cooperation of the Belgrade Dredging Enterprise and "Ivan Milutinovic," also in Belgrade. The work will take 7.5 years, and during that time the Yugoslav construction workers will dredge 21 million m³ of material and will build a canal and the shore over a length of nearly 20 km.

The Yugoslav Bank for International Economic Cooperation (JUBMES) and the Bank of Belgrade have offered full financial support in this large investment undertaking. They extended a credit to the National Bank of Hungary to cover 70 percent of the value of the contract. The remainder is being furnished through an advance and payment of all our expenses in Hungary.

The work has already begun, but the ceremonial signing of the contract will be held in Belgrade from 16 to 18 July.

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CSO: 2800/314

JOURNAL VIEWS BIOTECHNOLOGY DEVELOPMENTS

Prague NOVA MYSL in Czech No 6, 1986 pp 62-76

[Article by Jaroslav Zaloudek, NOVA MYSL editor, Prague: "Biotechnology A Promising Area of R&D Progress"]

[Excerpts] Czechoslovakia possesses very positive preconditions for the development of biotechnology. One of the most important of these is the broad possibilities for cooperative arrangements in this area with the USSR and the other CEMA member countries. Our country has not only sophisticated basic research capabilities in microbiology, virology, molecular biology, molecular genetics, immunology, and ecology, but also capacities in applied fields as well (pharmacy and the food industry). While some progress has been made, here as in the rest of the world biotechnology is only entering the production phase. This means that every country (including the CSSR) has an opportunity to exploit this technology should it choose to do so. (See "The Strategic Importance of Biotechnology. An Interview With Academician J. Riman, Chairman of the Czechoslovak Academy of Sciences." POLITICKA EKONOMIE, No 10, 1985, p 1023).

The efforts being made by the CSSR Government to develop biotechnology are evident in a number of documents. The executive party offices have approved several of these documents, such as the resolution On the Development of Biological Technologies (1982), in particular the Long Range Comprehensive R&D Program for the Development and Application of Biotechnologies in the CSSR (1985) and, from the international arena, the above mentioned Comprehensive Program for R&D Progress, which was adopted at the 41st (special) CEMA Plenum in Moscow in 1985.

Despite some positive results, such as the start of production of fodder proteins from sulfite waste liquors at Paskov with a planned annual capacity of 24,000 tons, of new pharmaceutical products, the production of biogases, the managed breeding of livestock, etc., we cannot be satisfied with the current pace of development of biotechnology in our country. The current situation in terms of development and implementation maybe described as structurally imbalanced. While in some sectors our results are state of the art and compare with those of any country in the world, in other areas we must

admit to certain lags. The representation of biotechnology in our current production base and the number of biotechnology-related products that we market abroad are both so far minuscule. Nevertheless one may characterize the current situation as being at a good starting point.

To conceptualize the further development of biotechnology we must start with the current status of existing tasks and objectives, the results that have been achieved, and with an evaluation of the conditions that currently have an impact or which are likely in the future to have an impact on this situation. We must take account of world trends in our predictions of the role that biotechnology will play in the 1990's and at the end of this century. We must then mobilize all necessary and available resources and make the most rational and effective use of them.

Our conception should be based on the integration of basic with applied research, actual production by the proposed investment projects, taking into account capital, raw material, power, and foreign currency intensiveness as well as personnel requirements. Proposed measures for those sectors involved in the capital replacement process and related to economic and other possibilities must be implemented in practice as fast as possible.

State-of-the-art research findings from around the world and practical production experience must be utilized in the development of cooperation and the distribution of labor with the CEMA countries with a view to future conditions.

These include mainly mechanisms that make possible the effective modification, programming and construction of living organisms and their components for processing, production, and service activities; the accumulation of technologies and principles that will optimize the conditions for growing cells or higher organisms; the development of efficient technologies and techniques for isolating and purifying products and principles of process engineering that serve to optimize and automate biological processes.

In terms of the conditions, preconditions, and requirements for the development of biotechnology in the CSSR we will concentrate our efforts in the following areas:

1. Selected biotechnologies in livestock production (the biochemicalization and chemicalization of livestock production) aimed at nutrition and increasing the use efficiency of economic animals (including special purpose substances, amino acids, vitamins, growth stimulants, etc.) and preparations to combat mass sicknesses in feedlot operations (antibiotics, antiparasitic substances, therapeutic drugs, substances to control production, etc.).
2. The development of a microbiology industry (fodder proteins, improving traditional fermentation products, antibiotics, etc.), which is the basic condition for the application of biotechnology mainly to agriculture, the food industry, health care and pharmaceuticals, in a number of other industrial sectors, and in environmental protection.

3. The use of biologically active substances and tissue cultures (that make possible research and diagnostic work in virology, immunology, physiology and the production of vaccines for human and veterinary purposes).
4. The use of biotechnologies in agriculture (biological pesticides, growth regulators for plants, biogases, etc.).
5. Developing the production and use of enzymes (especially the innovation of fermentation products and the production of technical and pure enzymes for use in agriculture industry and health care).

Naturally, these basic objectives must be implemented gradually in conjunction with the commitments and potential of our economy. These requirements stem from the necessity of increasing self-sufficiency mainly in the production of antibiotics, amino acids, proteins, vitamins, as well as improving our export capability in the areas of, for instance, citric acids, ergotamines, and other products that we have traditionally produced. The first results of this production should come to market during the Eighth 5-Year Plan. The medium-term and long-term objectives and developmental requirements are consistent with world developmental trends in power generation, nutrition, and the environment. It is primarily a matter of dealing with the following tasks and problems:

- increasing plant production while reducing applications of chemicals;
- the effectively managed increase in livestock production through natural stimulation and better care of economic animals;
- eliminating all kinds of waste by using them to generate power or in some other economically appropriate way;
- the expansion and ongoing provision of new, supplementary sources of energy and raw materials for the chemical industry, food uses, and motorized transportation through the comprehensive utilization of the renewable energy potential of forest phytomass along with the possibility for better utilizing fossil raw materials;
- beginning to produce products that will have a strong impact on reducing imports as well as new products with significant export potential;
- the development of new nutritional sources with application in both the fodder and food sectors;
- the processing of inferior or waste mineral raw materials to isolate rare metals on the basis of fermentational leaching processes. (This list contained in "Strategic Importance of Biotechnologies. A Scientific Interview with Academician J. Riman, chairman of the CSAV." POLITICKA EKONOMIE, 1985 No 10, pp 1023-1024.)

The basic outcomes that may be expected from the above programs are an expansion and improvement in fodder utilization, in the quality of foodstuffs, improvements in the overall health of our people, economic animals and cultivated plants, an improved environment, increased energy resources and the more

economical utilization of these resources. The most important contribution to our foreign economic relations is expected to be an improved competitive position over the longer term. (See O. Lacina, "The Macroeconomic and Structural Characteristics of Czechoslovak Economic Development Through the Year 2000." EKONOMIKA ARIZENI VEDECKOTECHNICKEHO ROZVOYE. Bulletin of the Research and Development Research Institute, Prague, 1985, Volume VIII, No 4, p 32)

These are not simple tasks. It will be necessary to deal with them in conjunction with the resolutions of the 17th CPCZ Congress, i.e. with the requisite purposefulness, foresightedness, optimal utilization of all available options, preconditions, and conditions, and with full responsibility of those people working in this area.

Further developments of basic research will be directed into certain priority projects that will provide the theoretical base of the development of biotechnology. In conjunction with these projects it will be necessary to provide for the development of biotechnologies through research and development and international R&D cooperation based on the State Plan for R&D for the Eighth 5-Year Plan, along with the Comprehensive Program for R&D Progress of the CEMA Member Countries Through the Year 2000.

The principal program for the development of biotechnology is state R&D program (SVTP) P-11, Selected Biotechnologies Including Machinery and Equipment, the objective which is the efficient processing of raw materials for the production of fodder proteins and other biomass products. This encompasses the production and utilization of biologically active proteins in the food industry, agriculture, and health care sectors and the researching and production of machinery for biologically related production. Certain biotechnologies will result also from SVTP P-06, Selected Problems of the Agro-Food Complex, and SVTP P-12, Concern for the Health of the Population. The area of biofactors, biochemicalization, and chemicalization of livestock production are addressed in state priority program (SCP) A-09, Selected Chemical Industry Products.

In line with the resource requirements and the development of biotechnologies it is assumed that primarily long-term bilateral and multilateral contracts will be signed with the CEMA countries, mainly with the Soviet Union and the GDR, Hungary and Bulgaria. Also planned is cooperation with some developed capitalist countries.

An obvious and one of the main preconditions for the development of biotechnologies is the availability and reliability of the necessary raw materials. Czechoslovakia has many of the raw materials; it is rather a question of whether as given raw material will be available on the schedule projected for a given product (because of technical problems, poor distribution of the resource, etc.); some resources will be imported. Beginning the production of a number of biotechnology products, on the other hand, will greatly reduce the consumption of traditional raw materials and materials. The development of potential sources of raw materials is provided for in specific tasks of selected SVTP and SCP. It is also expected that much more use will be made of the findings of scientists elsewhere in the world in our search for raw materials.

Measures must also be taken in order gradually to build the needed facilities for these programs. Work in this area will be based on expert projections of the overall resource and facilities requirements of these programs. Each program will be evaluated individually according to the criteria of appropriateness, social significance, impact on foreign trade, and efficiency, with great emphasis placed on increasing labor productivity, profitability, and managerial efficiency. Some of the projects will require substantial capital investment. The same is true of basic and applied research programs. As we have already seen, it is often difficult to enumerate in advance the specific advantages of a given program.

In addition to the above measures, it is also necessary to deal gradually with a number of organizational issues. Sectoral and divisional differences, and the need to deal with a number of different problems according to their importance, require great flexibility in planning, management, and organization, and the optimal coordination of all the above components of the basic research-final use cycle. Along with these internal tasks it is necessary to arrange for international cooperation and integration, mainly in implementing capital investment projects. It is assumed that overall project management will be of the requisite caliber, and that this will in no way reduce the accountability of all participating organizations.

This concise outline of the basic tasks and questions facing the development of biotechnologies in the CSSR has been intended to point out their importance and complexity, and the necessity for the closest possible cooperation of all involved organizations. People will be the most important factor of all, and much will depend on how long it takes to recruit the necessary personnel and how qualified they will turn out to be. This was also one of the main conclusions of the 17th CPCZ Congress.

The progress we make in R&D will largely determine our success in implementing the strategy of accelerated development for our society that was the main outcome of the 17th CPCZ Congress. One of the priority focal points of this development is the development of biotechnology in accordance with the Comprehensive R&D Program for the CEMA Member Countries Through the Year 2000. Incorporating biotechnologies into the national economy will make possible an effective solution to the problem of conserving traditional energy resources and raw materials, improving the environment and health of our people, and assuring a food supply consisting of high quality foodstuffs.

9276/9312

CSO: 2400/323

OFFICE WORKERS SLOW TO ACCEPT NEW DATA PROCESSING TECHNOLOGY

East Berlin SOZIALISTISCHE ARBEITSWISSENSCHAFT in German Vol 30 No 3/86
(signed to press 14 Mar 86) pp 206-12

[Article by Irina Barbarino, certified sociologist and science assistant, Social Science Academy, SED Central Committee, Institute for Marxist-Leninist Sociology: "Data Processing Technology in the Services and Administrative Sectors--Observations from the Sociological Vantage Point"]

[Text] "Proceeding further toward comprehensive intensification, and this on long-term, that constitutes the substance of the new phase in implementing our economic strategy."¹ Greater and more essential impulses for implementing that social objective emanate today from the development and use of data processing microelectronic technology. The revolutionizing of this technology is called a key process of the scientific-technological revolution. Along with penetrating economic and technical changes, data processing technology has essential social effects that far transcend the other key technologies. This touches the interstice between man and technology and creates fundamental changes for the division of labor between man and man. These objective processes, not last, affect all phases of the social reproduction process while new fields are opened up for scientific-technological progress. "The entire data processing industry received strong impulses from the development and extraordinary advances of microelectronics--mainly since the second half of the 1970's. In particular, the miniaturization of electronic components by leaps and bounds and the cost reductions of their production expand the fields of operations for this technology which is of fundamental importance: above all the non-producing sectors and the production preparation sectors are given more and more access to scientific-technological progress."² That pertains, for one thing, to the computer-aided rationalization of R&D and of ADP processes in production preparation and their direct management. And then it also relates to the use of microelectronic technology in the office and in administrative and service sectors. "Using modern computer technology on the basis of office computers is a task arising in new dimensions. That relates to the materials economy and the organization of cooperation relations as much as to the work of savings banks, banks, and insurances, as well as of commerce."³

The revolutionary changes in technical conditions that are completely new in depth and speed in those sectors can have more drastic effects than in some material production sectors. Structural changes, changes in the content

of labor and the working conditions, and in qualifications and training become possible and necessary for the groups of employees engaged mainly in administration and services.⁴ The effects in these sectors are so striking because here a historically developed gap has to be overcome that exists over against the producing sectors in efficiency development, labor productivity growth, and the effective degree of live labor.

Technical possibilities and the real course of using ADP techniques call for differentiations as far as the various service and administrative sectors are concerned. The old and the new are going to exist in juxtaposition in the techniques, technology, and organization of office and administrative work for many years to come. "Basic technical innovations do not hit the economy in its whole breadth at one and the same time. Certain sectors will for the time being be hit much less by enforcing truly basic innovations than others."⁵ The use of ADP technology will first be concentrated on some selected sectors even in the service and administrative areas. Economically as well as technically, the use of this technology will not be possible everywhere and at once, nor will that be necessary. For many smaller sectors, such as local state organs, small branches of saving banks, post offices and so forth, an automated office or most up-to-date microelectronic techniques are not yet going to be the rule.

Various sectors using it, like financial and banking organs, the Railroad, the Post Office, commerce and combine enterprises, have now had their first experiences with this technology and the problems connected with it. These experiences must more vigorously be generalized to implement the solution of similar problems faster and more effectively and create leads for other sectors and, hence, prerequisites for a broad application of this technology.

When most up-to-date microelectronic techniques are used in employees' groups, one must assume a number of specifics compared with key working class groups and other economic areas:

1. The technical level in these sectors has hardly changed in recent decades. The use of typewriters and adding machines did not lead to fundamental changes. The work done here continues to proceed primarily on a non-machine basis. Through the use of office machines only a few labor operations could effectively be coped with. ADP made no difference here as long as that technology was used only partially and in external installations. It is the use of decentralized data technology, the terminalization of jobs, and their linkage with central computers that constitutes in these sectors the revolutionary element proper in ADP technology. Getting right up to the place of work is for "pure" office work as done by secretaries and other office personnel of as decisive importance as for customer oriented sectors in services, commerce, savings banks, and banks.

2. Closely linked with the technization degree of labor also is the limited range of experience employees have had in dealing with technology and technical changes in the work process. Not until information technology comes in can the employees gain their own social experiences in this field. The speed and scope of acquiring social experiences for these sectors depends especially on how efficiently this technology can become effective and on

how the working people's readiness and capability for innovations can be developed and converted into a socially necessary performance motivation.

3. There are many women among the employees. The women's office and administrative work is marked by great independence, good communication opportunities, good hygienic conditions on the job, and but a minor technological tie to the job.

These sectors and occupations continue to be attractive to women. Their broad territorial distribution also plays an essential role, along with the working hour regulations in force. Sociological surveys have made clear: Good chances for combining work, family, and maternity are of special importance to groups of employees. This legally guaranteed compatibility must continue to be guaranteed under the new conditions of enforcing the scientific-technical progress in these sectors on behalf of society and of women's personality development and must be brought to practical realization. That makes especially high demands on the planning and management of these innovative processes and calls for greatly involving the women even in the preparation and training phases where qualification and continuing education measures or questions about changing working hours are placed on the agenda.

Making more use still of the existing possibilities will be an essential condition for realizing the enforcing of intensification and the use of and coping with modern technology with high efficiency also in the service and administrative sectors. In view of the specifics in groups of employees and their work, we shall comment in the following on some problems that are relevant from the social and sociological point of view.

Changes in the Content of Labor and the Working Conditions

With the use of microelectronic technology in the service and administrative sectors changes in the content of labor and the working conditions are indicated, by no means smaller than those in material production and in part leading to more penetrating effects because here the factor of technology for the first time appears in a big way, in completely new ways and means.

The type of mental work done by employees, compared to the intellectual work of the intellectuals, is less creative and more up to algorithmic demands. Especially for this kind of mental work the use of highly integrated microelectronic circuits offers considerable chances for enrichment. ADP technology makes possible in tendency "increasing technization mainly of mental work that can be formalized; the simpler mental work functions are, the more often do they repeat themselves, and the more easily and effectively they can be technified."⁶

The new technology can bring along positive effects on the mental demand level of labor as well as chances for reducing routine operations. This is a development, however, that does not pass without contradictions. Today, new forms of routine and monotony, new forms of stress, are due mainly, if not exclusively, to the widely still prevailing experimental, testing,

and learning phase. Increasing the technical degree, as by providing jobs with terminals, cannot in a linear sense be related to improving the level of labor content and the improvement of working conditions. Generally it has to be assumed that an effective use of technology under socialist conditions cannot be fully realized until it is combined with personality-promoting labor contents and conditions. The special operational technological conditions (hardware and software) as well as the labor organizational changes and the managerial coping with these processes must all become involved.

In the service and administrative sectors the use of decentralized ADP mainly comes in the form of jobs with screened terminals. The mental demand level of work on such terminals is determined mainly by two factors: the type of the screen terminal and the character, number and duration of other partial activities.

The general differentiation of screened terminals as to data input, data output, and dialogue spots⁷ suffices for these purposes but must for a concrete case be specified relative to the intensity of the work on the screen and the concrete working task.

Pure data input jobs, once one has learned the job and masters the equipment, are still more routine than what there was before because now, e.g., the machines themselves take over the controls, and hardly no decisions are to be made any longer. At a screen with "pure" data input the advantages of this technology cannot be fully used. On behalf of personality-promoting labor contents such jobs must be marked by a change of working activities on one and the same day, by bringing together and deliberately combining corresponding labor functions.

Screened spots issuing tickets at the German Railway are seen as data output terminals. Along with the work on the screen in selling tickets with micro-computer-controlled desk printers (MSD), "a number of other demands can still be met, such as taking in the cash, communication with travelers, checking and stamping discount applications and checks, picking up data from time-tables, equipment maintenance, and so forth."⁸ The labor-scientific structural solutions developed for this concrete case ought in their complexity also be used for other sectors. Of general validity is the realization "that it not only matters to do the work through the screening technique, but that at the same time all working conditions that affect partial operations have to be taken into account."⁹ These statements apply not only to data output terminals, but as much to the dialogue spots, which are more demanding from the labor content point of view. Not until one gets to the level of a man-machine dialogue can one speak of totally new and partly higher demands made on the mental demand level of labor. Here decisions are asked for, here one must comprehend how things interact. Relieved of routine at dialogue terminals and tighter and more demanding work along with it can lead to higher psychological requirements.

There are no assured universal labor science data, nationally or internationally, on screen terminals in general and dialogue work in particular as yet. Surveys by labor scientists and psychologists primarily concentrate

on ergonomic aspects. The assumption is that new stresses and grievances may arise even when jobs are well structured ergonomically (the suitable placement of the screen, keyboard and printer as well as questions of illumination, noise, the microclimate and so forth).¹⁰ One can fully endorse the arguments presented by H. Raum who has paid attention to expanding the activity, decision-making, and control margins, which frequently are only feasible to a limited extent, as well as, above all, to the task distribution in the collective and to the considerations regarding working time, breaks, and an alternating operations system.¹¹

Changes in Qualifications and Training

Nor will there be any essential structural changes as to the proportions between college and technical school cadres and technicians in the sectors under discussion here. Increasing skill levels are seen among the employees, much as in the core groups of the workers class, not in fundamental changes of the skilled labor contents. Traditional occupations are kept. Knowledge and experiences available are still being used, new and, in part, higher demands are raised mainly in terms of dealing with the technology. There is no direct technological and ADP specialization in vocational training. A broad and rapidly applicable basic knowledge is prerequisite to acquiring specialized knowledge about the work with screens mainly through adult education. Along with traditional vocational experiences it is the knowledge that was already there before but had not fully been utilized, such as keeping abreast of far-reaching processes and interconnections, that is gaining in importance. Tasking areas are becoming broader and more complex and call for a new measure of responsibility, dedication, and decision-making competencies. This raises new demands on technical skills but also on character traits, attitudes, and socialist personality features all around. Self-reliance, the willingness and ability to communicate, a sense of responsibility, the ability to concentrate, and the willingness to take risks and to learn are some of the features a new type of technology produces and needs.

On the Requisite Changes in Using the Social Labor Resources

When the experimental, testing, and learning phases are taken care of, qualitative changes in the process of using microelectronic technology in services and administrative sectors also must play a greater role. Problems and issues connected with that must be analyzed and integrated at the proper time to prepare the employees as well as society at large for these processes over the long haul. Here the following aspects stand out:

1. Office rationalization and automation must be seen as a prerequisite and aid for achieving high efficiency in planning, management, and administration. In certain employees' sectors the use of modern technology only makes possible meeting the growing requirements. Relieved of routine operations, one must find more time for the actual work. That holds true, e.g., for the local state organs in working with the citizens and also for R&D sectors where highly skilled cadres often have to do extra, unspecific work. An essential contribution can thereby be made to improving labor efficiency in these sectors. The use of ADP technology must help improve management and planning activities in all sectors.

2. Recruiting labor from the administration for other economic sectors turns out to be a long-range social requirement. At that, a restructuring to all sectors would be an illusion. Most of the recruited labor will have to go to similar activities. That relates to such sectors as culture, leisure, and services, which are of increasing importance because of the further elevation of the population's material and cultural standard of living.

3. What with the long-term juxtaposition of the old and the new in various employees' sectors, there is the chance to materialize the newly forming structures socially, smoothly, and without conflict mainly via the structural changes in vocational training.

The Employees' Attitudes Toward the Technical Changes

Surveys thus far permit the conclusion that the employees want technical progress and are open-minded to technical changes. Contrary to statements spread through Western literature about a supposed rejection of technology by the employees and to the apprehension about growth and the pessimism about technology that truly exist there, among us it would be groundless to speak of an apprehension about technology and the future of work even among employees and women. They are able to cope with the technical changes and take part consciously in developing them. A basic positive attitude in the learning and preparation phase still comes with some problems, of course. The specifics of using technology in service and administrative sectors make it virtually necessary to clarify and test a number of questions and problems in the perimeter of broad application.

What is most problematic there is linking the new with the old technology. Real economic effects and positive social effects become possible only through fundamental technological changes that lead to more than merely isolated applications. Within the scope of test phases, e.g., one will have to determine which partly new forms of stress, physical and psychological, the new technology introduces, how they are to be eliminated or minimized, which new forms of stimulation are needed, and how one can newly regulate the matters of working hours and breaks. Positive experiences for preparing and schooling the employees are available through adult education.

By way of summary one may say that in the groups of employees, as much as among all other working people, there is assurance that the scientific-technological progress under socialist conditions is linked with a further improvement of the working and living conditions, with social security and safety, and especially with ensuring job safety.

FOOTNOTES

1. E. Honecker, "Aus dem Bericht des Politbueros an die 9. Tagung des ZK der SED" [From the Politburo Report to the 9th SED Central Committee Session] Dietz publishing house, Berlin, 1984, p 31.
2. H. Nick, "Wissenschaftlich-technische Revolution---historischer Platz, Entwicklungsetappen, soziales Wesen" [Scientific-Technical Revolution---Historic Spot, Developmental Stages, Social Essence], Dietz publishing house, Berlin, 1983, p 40.

3. E. Honecker, "10. Tagung des ZK der SED, 20/21 Juni 1985. Zur Vorbereitung des XI. Parteitages der SED" [10th SED Central Committee Session, 20/21 June 1985--Getting Set for the 11th SED Congress], Dietz publishing house, Berlin, 1985, p 34.
4. Employees are here understood as persons working in the sectors referred to who are primarily dealing with data processing functions that serve the preparation, management, organization, controls, and accounting. They have specialists' qualifications and partly skills that go beyond that but do no typically intelligentsia type of work. Employees are classified as belonging to the working class.
5. M. Loetsch, "Working Class and Intelligentsia in the Dialectics of Scientific-technical, Economic and Social Progress," DEUTSCHE ZEITSCHRIFT FUER PHILOSOPHIE, 1985, No 1, p 37.
6. H. Nick, "Of the High Demand Made on Creative Work," EINHEIT, 1982, No 3, p 263.
7. Cf. H. Raum, "Structuring the Work on the Screen--The State of Knowledge and Open Problems," SOZIALISTISCHE ARBEITSWISSENSCHAFT, 1980, No 4, p 285.
8. H. Luebke, "Labor Scientific Problems in Fashioning the Ticket Counter Screening Terminal of the German Railway," DIE EISENBAHNTECHNIK, 1983, No 4, p 157.
9. Ibid., p 159.
10. Cf. H. Raum, "Permanent Load Limits for Cognitive Routine Activities on a Screened Terminal Job," WISSENSCHAFTLICHE ZEITSCHRIFT DER TECHNISCHEN UNIVERSITAET DRESDEN, 1984, No 4, p 165.
11. Ibid.

5885

CSO: 2300/437

NEW LAW ON LIQUIDATION, REHABILITATION OF FAILING ENTERPRISES

Creditors Initiate Proceedings

Budapest MAGYAR HIRLAP in Hungarian 28 Jun 86 p 5

[Article by Ilona Kocsi: "After Insolvency"]

[Text] The case of IGV (Office Machine and Precision Engineering Enterprise) astonished many people. How could that be? Even a state enterprise can undergo liquidation? Up to then, this possibility had existed only on paper. Suddenly, like a bolt from the blue, the possibility became reality. Not as if cooperatives and council enterprises were the only ones reporting losses. But somehow it just so happened that the liquidation of only these types of economic units was ordered prior to 1984. Over the years it became clear that liquidation is a fact of economic life, in the same way as the establishment of new firms, and that it is not worth the effort to keep the many ailing firms artificially alive. Up to now, however, also the outdated statutory regulations hampered the smooth completion of this process to its very end.

Yesterday [27 Jun 86], the Presidential Council issued a law decree on the liquidation of business organizations. Together with the implementing regulations, the new uniform rules of procedure for economic rehabilitation and liquidation will become effective as of 1 September.

But it would be a mistake to assume that, after 1 September, every firm operating at a loss will be liquidated. If that were so, the liquidation would have to be ordered of several dozen economic units, on the basis of their financial statements for 1985. The purpose of the new statutory regulations is to forestall permanent insolvency, bankruptcy. How? First of all, by allowing henceforth any creditor to initiate liquidation proceedings, if the creditor finds that a partner is in a hopeless financial situation and is not expected for some time to meet his financial obligations. Up to now, only the founding (administrative) agency had the right to initiate liquidation proceedings. And it is likewise not immaterial that the present rigid order of the creditors' preference will cease. Up to now, for example, the claims of the banks and of the state, together with the claims in the nature of wages and salaries, enjoyed absolute preference; and the remaining creditors were paid only if there was anything left. In 1983, for instance, the creditors of the Pest Megye Construction Industry Enterprise were able to collect only a part of their claims.

Guaranty Provided

Many people asked in 1984: Why specifically IGV was liquidated, without a statutory successor? Why not some other enterprise? There were enough to choose from. There is still no clear, unambiguous answer to this question. There are numerous arguments both for and against the liquidation of IGV, as there probably would have been also in the case of any other of the possible choices. In any event, the regulations that are coming into force will make the entire proceedings more equitable and more open to public scrutiny. These factors, and the right of any unsecured creditor to initiate proceedings, guarantee that the decision regarding liquidation will be an impartial one. Impartiality will be enhanced also by assigning all liquidation cases, because of their complexity, to the Budapest Court as the court of first instance. The court will employ extrajudicial procedure. Appeals from its decisions will be heard by the Supreme Court.

Incidentally, also the inclusion of the courts indicates that this will be a basically new solution. (Not an innovation in an absolute sense, of course, but only in the period since 1945. The Bankruptcy Law that Hungary enacted in the 19th century gave the courts jurisdiction in bankruptcy cases. As do the laws in many other countries.)

The next question that might arise reads as follows: If the courts are to decide whether or not to liquidate ailing firms, what will happen to the large enterprises that have been operating at a loss for years? There is cause neither for panic nor for premature jubilation. Naturally, the state apparatus is not relinquishing its management of the economy. Especially not in the case of firms whose activity is of national economic importance. By introducing the new rules of procedure, the state wishes to achieve that economic units strive to settle their financial claims among themselves, without running immediately to their central agencies for help. Up to now, such aid has been possible in both theory and practice. In future, however, the possibility of providing such aid will be limited.

Let us now examine what provisions the new statute contains.

Basically three stages of the proceedings can be distinguished. Before liquidation proceedings can start on the petition of either a creditor or the debtor, a conciliation stage is mandatory. Usually the corporative organization concerned--the Hungarian Chamber of Commerce, the TOT [National Council of Agricultural Cooperatives], the OKISZ [National Federation of Industrial Cooperatives], the SZOVOSZ [National Federation of Cooperatives], or the SZOT [National Council of Trade Unions]--acts as conciliator. It arranges a meeting of the creditors and debtor, to negotiate an agreement. Here the creditors may decide to give their ailing partner a last chance (by agreeing to a composition of creditors or to an extension). If there is an agreement, the case is closed for the time being and will not be continued. If there is no agreement, the conciliator sends the protocol of the attempted conciliation, and of its failure, to the agencies authorized to order economic rehabilitation. The minister of finance must decide within 30 days whether to order economic rehabilitation. (In the case of agricultural cooperatives, this authority is exercised temporarily by the chairman of the Budapest Municipal Council, respectively the chairmen of the megye councils.)

Public Scrutiny

This is the second stage of the proceedings. Such a "rescue operation" can be expected in the case of firms of outstanding national economic importance, or specifically when international commitments, defense interests, or the interests of employment come into consideration. When the ailing economic unit undergoes economic rehabilitation--in other words, when its losses are settled and its confused finances are straightened out--the creditors are in an advantageous situation. The state foots the bill and pays all claims due. But if the decision is against rehabilitation, then comes the third stage, the liquidation itself. A petition to initiate liquidation proceedings must be filed, together with proof that conciliation was attempted but has been unsuccessful (a copy of the protocol must be attached to the petition), and that the state has decided against economic rehabilitation.

Liquidation may be ordered only when the firm is being wound up without designating a statutory successor, or when the firm's permanent insolvency has been proven. It will not be so simple to provide proof of insolvency. Data will have to be submitted on the debtor firm's assets, loans, unfulfilled contracts and pending business deals. It is certain that in future the various experts, particularly the liquidator (liquidating agency), will be assigned important roles in this stage. This task is both complicated and costly. Hopefully, therefore, it will be also in the interest of the firm undergoing liquidation to wind up as soon as possible, because a lengthy process of presenting evidence would only add to the costs.

To protect the creditors' interests, a notice of the initiation of liquidation proceedings will be published in MAGYAR KOZLONY. This way every creditor will be notified of the developments and will be able to file his claim within 30 days. Before the completion of the proceedings, however, the court will call another meeting of creditors. By then the creditors will have a clearer picture of the debtor's financial situation and might reconsider their earlier refusal to agree to a composition or extension. But the court may approve a composition of creditors only if at least two-thirds of the proven creditors attending the meeting support the composition and, furthermore, if their claims amount to at least half of the total claims.

In the Absence of an Agreement

If no agreement is reached at this meeting of creditors, nothing can save the debtor from liquidation. At the end of the proceedings, the creditors will share proportionately in the debtor's assets converted into cash. In other words, the state's claims henceforth will not have preference as before over the claim, for instance, of a business partnership or an artisan. But this does not mean that no claim will have preference. For in the distribution of assets it will be necessary to deduct first of all the costs of the liquidation proceedings. And then the claims in the nature of wages, namely: wages and salaries, maintenance, annuities, workman's compensation, etc. If private individuals as customers have other, noncommercial claims (for example, warranty claims in conjunction with housing construction, etc.), these too must be satisfied.

Courts' Key Role

Budapest MAGYAR HIRLAP in Hungarian 28 Jun 86 p 6

[Interview with Dr Janos Baranyai, department head of the Ministry of Justice, by Ilona Kocsi; date and place not given]

[Text] The courts are being assigned a key role in liquidation proceedings. This is an innovation that may basically alter the practice to date. Many people welcome this change, but there are also quite a few within the economy who have misgivings about letting the courts decide economic questions. We interviewed Dr Janos Baranyai, a department head in the Ministry of Justice, about the details of the new rules of procedure.

[Question] Economic rehabilitation and liquidation have been a lengthy process even up to now. Therefore quite a few people believe that the inclusion of yet another institution will only make the already lengthy process even longer.

[Answer] It is in everyone's interest to complete the proceedings within the shortest time possible. This applies to the debtor and the creditors as well. The courts enter into the proceedings only in the third stage, liquidation. They hear experts and, after careful deliberation, determine whether permanent insolvency does indeed exist. If it does exist, the courts will attempt to let the creditors and the debtor agree to a composition of creditors. If the attempt fails, the courts have no choice but to complete the liquidation as soon as possible.

Conciliation More Simple

[Question] Whose interests does the court protect in the proceedings? Is the debtor entitled to a "last wish," so to speak?

[Answer] The basic task is to minimize the amount of damage to the national economy. And the creditors' interest is to receive payment for their provable claims. The court must oversee the entire process to ensure that the assets are sold at their actual market value. Both interests must be taken into consideration.

[Question] Will all this require changes in the organizational structure of the courts? Perhaps the establishment of a new organizational unit?

[Answer] No, it will not. The court will handle such cases according to the rules of extrajudicial procedure, which will be faster and more simple than judicial procedure. The Budapest Court will have jurisdiction in all liquidation cases, which will guarantee uniform and expert adjudication. All appeals will be heard by the Supreme Court.

[Question] Some economic units nevertheless are uneasy that the courts will have authority to decide the economic units' future. They feel that many aspects outside the field of law also have to be taken into consideration in cases of such importance.

[Answer] The court is an impartial and independent agency. It has no interest in liquidating as many enterprises as possible. It is a different matter that the court, for emotional reasons or perhaps to maintain its prestige, may not overexert itself to keep an ailing firm alive. In the course of the proceedings, it will repeatedly attempt to attain agreement to a composition of creditors, because conciliation will be more simple and faster than liquidation. But a composition of creditors makes sense only if it can solve the permanent insolvency. It would be strange if the creditors and debtor were to agree to a composition, but then the financial situation of the debtor firm would continue to worsen, and in the end it would be forced into liquidation. It is essential that also the court aid the salvaging of assets, prevent their complete "disintegration," and minimize the loss. Incidentally, returning to the misgivings, if the interests of the national economy call for economic rehabilitation, the agency authorized to order rehabilitation will make a decision to that effect already in the stage preceding liquidation. But if this agency does not consider economic rehabilitation necessary, then the uneasy economic units really have cause for concern.

Familiarization Will Do No Harm

Are there any international data on how the willingness to agree to a composition develops in the stage of liquidation? The laymen would expect creditors to be more conciliatory in this stage. In the interest of salvaging their claims, they might be more willing to give the debtor a last chance.

[Answer] We reviewed the practice of several socialist and capitalist countries but have not found any data on this. However, it is noticeable that preventive measures are assuming an ever-greater role in foreign countries. Several financial organizations are "specializing" specifically in troubled firms, giving them loans under certain conditions, or acquiring them so as to turn them around and then resell them.

[Question] The entire package of decrees will become effective as of 1 September, and until then there is a period of preparation. Foreseeably when will liquidation cases come before the judges?

[Answer] Such cases are in progress even now under the old rules, but these cases will not yet be turned over to the courts. In my opinion, the courts can expect to deal with liquidation cases foreseeably as of the beginning of next year. Creditors do not need to have a detailed knowledge of the new rules. But it will do them no harm to familiarize themselves in general outlines with the new rules, and to learn when it will be expedient to initiate such proceedings.

Finance Ministry's Responsibilities

Budapest MAGYAR HIRLAP in Hungarian 28 Jun 86 p 5

[Interview with Dr Istvan Nagy, main department head in the Ministry of Finance, by Ilona Kocsi; date and place not given]

[Text] The uniform system of economic rehabilitation and liquidation, called the "Bankruptcy Law" for short, has been awaited with keen interest. Some

people urged its introduction to improve their standing as creditors. Others wanted to see what cards their partners were holding; in other words, they wanted a closer look at their partners' financial situation. Is this truly a change of epoch-making importance? Or have we fallen into the trap of waiting for miracles, of expecting a few statutes to solve all our economic problems? We interviewed Dr Istvan Nagy, a main department head in the Ministry of Finance, on this subject.

[Question] In addition to those who are expecting miracles, there are a good many pessimists who claim that even now there will be no significant change at the large enterprises. In the same way as in the past, these enterprises will continue to get their periodic injections of cash when due.

[Answer] The size of an enterprise alone cannot warrant or guarantee its economic rehabilitation. There are essentially three situations in which the finance minister may decide in favor of economic rehabilitation. When liquidation of the firm would cause severe unemployment in the given area; when it would jeopardize fulfillment of our obligations under international agreements; or when it would compromise the interests of our national defense. These are the three classical reasons for economic rehabilitation.

[Question] None of these three conditions can arise entirely in an agricultural cooperative, yet the new rules of procedure do not apply to agriculture. Why is agriculture an exception?

[Answer] We are not dealing with an exception. In this area there are special circumstances that must be taken into account. The obligation to farm or the responsibility for supply, for instances. The insolvency alone of an agricultural cooperative does not reveal much about its actual farming. Therefore it will be the responsibility of the megye council's chairman to decide what should be done about an ailing agricultural cooperative. But this delegation of responsibility will remain in effect only until 1988.

[Question] What will happen thereafter? The special circumstances will still exist. In spite of this, will agriculture "fall in line"?

[Answer] Yes, it will. Naturally, we will continue to devote close attention to the mentioned peculiarities. Incidentally, also practical considerations warrant this transitional period. The Economic Rehabilitation Organization is not yet in place, and it will not be able to undertake immediately the auditing and processing of several dozen ailing agricultural cooperatives. But it will be able to do so by 1988, and from then on it will deal uniformly with every organization undergoing economic rehabilitation, regardless of the organization's branch affiliation.

[Question] There have already been quite a few bailouts in the past. What will make future economic rehabilitations different? Merely the fact that there now are rules of procedure for economic rehabilitation?

[Answer] There can be no economic rehabilitation without an agreement that spells out exactly the ailing firm's undertaken tasks, assumed obligations, the

pertinent time limits, and what the firm will get in exchange for all this. But independent experts must first thoroughly audit (x-ray) the given firm's operations, management, organization, and product structure. Finally, conditions are set, with time limits for their fulfillment. The bank provides the financial aid and continuously monitors its use. In other words, this is not simply a financial transaction, rather the consistent application of the principle of something in exchange.

[Question] The number of firms operating at a loss is increasing year by year. The Economic Rehabilitation Organization will have its hands full from the very beginning.

[Answer] The scope of economic rehabilitation by the state will be limited. Insolvency is not cause for intervention, rather something that business partners must resolve among themselves. But even when the finance minister does not want to order economic rehabilitation, the corporative agencies or a cabinet member other than the finance minister may still propose economic rehabilitation to the Council of Ministers. There can be special considerations on the basis of which the government may still decide in favor of economic rehabilitation.

[Question] A public notice is issued in the case of liquidation, but not of economic rehabilitation. What is the reason for this difference between the two stages?

[Answer] The difference is due to practical consideration. If a firm is being liquidated, its creditors must be informed so that they may file their claims within the specified time limit. This is not necessary in the case of economic rehabilitation, because the creditors get their money. But this does not mean that economic rehabilitation takes place in absolute secrecy, behind the scene. The creditors will learn also about the firm's economic rehabilitation, but this will be a different type of public disclosure.

[Question] Despite all our initial intentions, we have failed to establish absolute equality among creditors. Claims "secured" by a mortgage will continue to have preference. And it is usually the banks who demand mortgages as security for the loans, but not the "simple" suppliers who ship on credit. This suggests that the banks have won the debate preceding the introduction of the new rules of procedure.

[Answer] That is not the point. After all, anyone may insist on a mortgage or lien as security. To this one might counter that the banks see the enterprise's accounts and are able to recognize the signs of bankruptcy when they arise; in other words, the banks are in possession. To prevent this from being so, a claim secured by a mortgage has preference only if the mortgage has been registered at least six months before the initiation of liquidation.

[Question] But this requires noticing that the firm is ailing permanently. Are there sure and clearly visible signs of this?

[Answer] We lack an accurate definition of insolvency, or an exact method of calculating it. But there are clear signs. When the creditor's liabilities

permanently exceed his assets, that can already be suspicious. Or when bills past due cannot be collected from the debtor. But only a more thorough expert audit will reveal whether this is a permanent problem or a temporary financial embarrassment. If in the course of the already initiated liquidation proceedings it becomes evident that the debtor's solvency can be restored, the court will halt the proceedings.

[Question] Could this process flounder on whether or not the ailing firm has a strong sponsor or protector?

[Answer] This new system may bring about an essential change in the economy. There is, in my opinion, also a definite intention to consistently implement the new system. Of course, this will require immense determination. But specifically our present difficult economic situation, and our decision to extricate ourselves from it at all cost, may compel us to consistently implement the new system. We simply do not have the money to finance the vegetation of enterprises operating permanently at a loss. They will either turn themselves around drastically or, as the final solution, they will have to liquidate their operations.

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SHORTCOMINGS IN REFORM MEASURES ESTABLISHED

Warsaw GOSPODARKA MATERIALOWA in Polish No 5, Mar 86 pp 141-145

[Article by Janusz Elbanowski: "Reform of the Economic-Financial System After Three Years"]

[Text] Following a period of rapid socioeconomic changes and the initial experiences of ushering in the economic reform, a period of contemplation and evaluation has set in. In the overall assessment of the functioning of the economic-financial system, the prevailing is that the reform mechanisms do not function well enough. Such an assessment is contained in the resolution of the Sejm and in the "Report on the Implementation of the Economic Reform in 1984." (Footnote 1) (Report on the Implementation of the Economic Reform in 1984. Warsaw, August 1985.), where it is stated that up to now, the mechanisms of the reform have released simple reserves "whereas more significant results in reaching for deeper reserves associated with improving employment, with scientific-technological progress and with improving the quality of production and work were not noted." In general, it is felt that the reform mechanisms do not function well because of the instability of the economy which means that the reform is not implemented in full which makes it necessary to tolerate temporary solutions.

One of these solutions is state control of the supply of production materials, which complicates and prolongs the supply process, as well as compromise settlements pertaining to economic parameters, particularly in the area of determining prices, wages, funds for investments, foreign exchange rates, etc.

State of Supply Organization

In resolutions Nos 123 and 124 issued by the Council of Ministers, the system of state control of trade in certain production materials and fuel has been retained for the years 1986-1990 in the form of mandatory intervention in the trade of fuel and fabricating materials, in limiting of purchase and use of fuel and energy, and the distribution of certain construction machinery and transport (Footnote 2) (Resolution of the Council of Ministers No 124 from 19 July 1985, MONITOR POLSKI, No 22, 1985). The power to set implementational priorities in state commissions and operational programs with the guarantee of supplies and financial priority has been similarly retained (Footnote 3) (Resolution of the Council of Ministers No 123 from 19 July 1985, DZIENNIK USTAW of the Council of Ministers Planning Commission No 6).

In truth, the Council of Ministers has been obligated to gradually limit state control and implementational priorities, but from the context of the resolutions as well as the trends in economic policy, it does not at all appear that any substantial changes will be made in this respect in the very near future. Furthermore, the principle of central control of production and trade of fabricating materials has been somewhat strengthened by the new resolution, which states that in the case of the refusal by a state enterprise to enter into an agreement for the implementation of a state commission or operational program, the parent agency has the right to compel the enterprise to enter into such an agreement (Footnote 4) (Law of 31 July 1985 regarding the adaptation of regulations of certain laws on the functioning of the economy to the needs of the further socioeconomic development of the country. DZIENNIK USTAN no 37/38).

Despite this, the rules and regulations of these laws are a kind of step in the direction of the normalization of the principles of turnover. Namely, resolution No 123 appears to be stemming the further expansion of the extent of regulated materials and products, thus, lowering the number of items [regulated] from 115 in 1985 to 110 in 1986 and to 62 in the years 1987 and 1988 which could indicate a trend toward the gradual limitation of the extent of regulation. An unquestionably positive move is the designation of long-term, quantitative tasks included in state commissioned assignments up to 1988 which enable long-term planning and, above all, the signing of long-term agreements in the area of supply. An incentive for negotiating long-term agreements is the rule of resolution No 124 regarding the use of discounts and surcharges on official prices and regulated producer goods sold on the basis of long-term agreements. However, it is doubtful whether these advantages will be capable of overcoming the resistance of suppliers to enter into long-term agreements since instability and uncertain production conditions still constitute a great risk. Another positive decision of resolution No 123, which promotes the efficient implementation of investments included in state commissioned assignments, is the right of the chairman of the Council of Ministers Planning Commission to exclude investments from state commissions when agreements are not implemented on time, when the deadline for completing investments is extended, when they are not ready for implementation or when they do not have a guaranteed source of financing.

The regulation of production means, although necessary in crisis situations, is not the best way of alleviating supply difficulties. It appears from conducted studies that not only has it not solved the problem of producer materials shortages (because it could not solve it), not only was it incapable of fully guaranteeing regular supply deliveries for production priorities but it has further hindered the flow of materials turnover due to the bureaucratization of the forms of intervention which has contributed to unsystematic supply deliveries and the formation of unwarranted stockpiling (Footnote 5) (Henryk Bartczak: "The Supply Barrier and the Effectiveness of the Reform," ZYCIE GOSPODARCZE, No 38/1985). Regulation is also not conducive to the optimal allocation of production means in accordance with the criteria of the greatest effectiveness. In addition, guaranteed supply deliveries have a largely demobilizing effect by dispensing with the

obligation of managing materials efficiently and reasonably, of lowering the material intensiveness of production and of looking for substitute material to replace shortages or material not delivered on time.

The process of efficiency bidding [przetargi efektywnosciowe] in connection with the allocation of state commissions was supposed to assure the optimal allocation of the means of production and their most efficient utilization. Meanwhile, bidding is employed to a minimal extent and often formally because of the high degree of monopolization and specialization. In addition, contrary to all expectations the incentives added to the state commissions in the form of supply priorities and financial preferential treatment are not sufficiently strong. Supply priorities were often mere fiction because of the overly broad range in the application of state commissions which in turn caused nonadherence to the legal obligations of guaranteed deliveries of materials in short supply. In turn, financial preferences (tax relief, credit preference) were not attractive because economic mechanisms were not yet functioning due to the low profits obtained from stimulating efficient management. As a result, state commissions do not fulfill the function of an instrument of economic selection and stimulation.

A condition for restoring this function is limiting the range of supply priorities associated with guaranteed supplies and this means a maximum reduction of operational programs and a significant limiting of the range of state commissions, at least to a degree that would assure the appropriate allocation of production means in short supply for those who are implementing state commissions-orders which should be allocated in the bidding process or upon receiving guarantees of fulfilling production or capital investment tasks in accordance with quality and efficiency requirements.

The rate and extent to which the initiated trends of improving the principles of the sale of materials will develop and depend not only on the progress of normalization of the overall economic situation but also on the consistent implementation of the postulates of improving the economic-financial system and on a consistently conducted economic policy. The postulates referred to are those which, among others, have been included in the aforementioned report.

As far as the sphere of materials sale is concerned, there is no doubt that the primary task is to limit state regulation by increasing the supply of materials, scarce raw materials, fuel, energy and goods as a result of increased domestic production or increased supplies from imports or a reduction in the demand for materials that are in short supply. However, in view of the small chances for substantially increasing the supply, the only remaining solution is to radically reduce demand (regardless of the moderate increase in the supply) by means of intensively cutting down on consumption, all the more so as there are in this respect considerable reserves which lie in the excessive material intensiveness of production in the construction of products, in manufacturing techniques and in the energy intensiveness of production processes.

In connection with this, a strategy is beginning to take shape for further action, whose main features are as follows:

--adapting the structure of the national economy to the needs of optimum socioeconomic growth as a result of the development of the priority divisions, branches and departments of the national economy which determine the rate of technical progress, the growth of exports and the attainment of economic stability and at the same time, which would limit the development of material intensive and energy intensive industries, branches and departments of the production sector;

--shaping the structure of production in enterprises by means of setting in motion and developing material and energy conserving production and by dispensing with outdated production and eliminating uneconomical production technologies;

--steering price policies toward balancing the demand and supply of production and raw materials in short supply, the outcome of which will be a relative increase in the share of the cost of materials in overall costs which in turn should promote the economical use and substitution of scarce materials;

--the activation of economic mechanisms and levers which would exert pressure on the economical use of materials and the assumption of efficient undertakings.

This strategy imposes specific demands on economic policy and on the economic-financial system; i.e., on the price, motivational, financial and tax system.

Assessment of the Price System

The price systems used thus far always oscillated between the category of economic prices, which were an objective parameter formed by the laws of the market or as a result of freely negotiated agreements by contractors possessing equal rights, and the category of contingent prices, monopolistic or administrative, set on the basis of unilateral decisions.

There is no question that automatically and efficiently functioning economic mechanisms can have an effect only when market prices and freely negotiated prices are used. The result of the efficient functioning of the market mechanism is the optimum allocation of the means of production; a low price and cost level; high production quality, adaptation to real needs, amount and structure of production; etc. owing to information received and signals from the market and also owing to the growth of new developments and scientific-technological progress which is spurred on by the threat of constant competition. It is this overall lack of competition in the current economic situation and the monopolistic position of manufacturers and supplies along with a severe shortage of goods supplies that result in the improper functioning of market laws (with the exception of certain segments of commodity turnover) and in that the current price system strays substantially from the adopted postulates in the assumptions of the reform.

Official and regulated prices are dominant in the current price system. They are an example of administrative prices set in a practical manner in relation to the level of substantiated costs. The cost method is also used

when setting official prices on basic materials and producer raw materials which should be related to prices on the world market. In reality, official prices frequently do not cover the public costs of manufacturing and because of this the negative difference is compensated with budget subsidies. The cost method of fixing prices and assuring production profitability by means of subsidies have an outright antimotivational effect without necessitating the lowering of prices and costs. In addition, despite the institution of "substantiated prices" difficulties in verifying cost computations make it possible to conceal in the costs the consequences of mismanagement and wastefulness.

However, even contract prices, which were supposed to be balance prices, do not to a great extent fulfill the functions of economic prices. The rules of the legislation, which authorize the Council of Ministers to periodically freeze prices and to designate the maximum indicators of price increases on specific groups of commodities and services, contributed to this as did the obligation of computing prices on the basis of substantiated prices which made this category similar to administratively regulated prices.

These trends continue to be upheld in the law of 31 July 1985, which outside of formal corrections and supplements, reinforces the principles of price control and discipline. Thus, for example, the minister for pricing (currently his functions have been taken over by the minister of finance) has been accorded greater authority, i.e., to set the maximum indicators of contract price increases on designated commodity groups and services. Subsequently, the obligation was imposed of informing regional price offices about the intention to increase prices and the right of these offices to defer increases was defined. At the same time, the payment into the budget of an additional amount because of an undue price or because of not lowering it despite of the worsening of the commodity's quality has been raised 150 percent.

The fear of the domination of the market by manufacturers and the danger of uncontrolled inflation influenced the curbing of the process of adjusting prices to fulfill the functions of an instrument of economic influence. Undoubtedly, this policy helped to restrain price movement within the limits of planned increases. However, in the long run, such a policy can stifle the driving force of the reform and, namely, it can deprive it of the features of an independent economic parameter which:

- informs about the true shaping of supply and demand and about the real market situation;

- has an effect on proper adaptive actions functioning; i.e., with respect to the supply--on the growth of profitable production which the public needs and on eliminating socially unacceptable production, and with respect to demand--on limiting demand that exceeds supply and that is automatically regulated by higher prices;

- requires high quality and up-to-datedness of products and services, and their low price and costs as a result of innovation, scientific-technological progress and efficient management.

Therefore, the informational, regulating and stimulating function continues to remain an unfulfilled postulate. However, it appears that the continued postponement of improving the price system in the direction of economizing them brings about negative results and that in proportion to the restoring of economic equilibrium, a gradual unblocking of the unconstrained shaping of contract prices should take place as well as the total elimination of regulated prices and a greater connection between official prices on basic raw and other materials and prices on the world market. The general principle of settling accounts in the area of exports and imports according to transaction prices while at the same time making foreign-exchange rates more flexible should also be applied. There should also be a concurrent striving for an improvement in the price structure by means of limiting the range of official prices in favor of increasing the range of contract prices whereby the relationship of official prices to costs should lead to a reduction in commodity subsidies. Consequently, as a result of evolution, the price system in its final form should fulfill the requirements suitable for the model of the market economy functioning within the framework of a planned economy.

Assessment of the Incentive System

The incentive system constitutes a weaker element of the economic-financial system although incentives are a driving force behind increasing work productivity, improvement in the quality of work, raising professional qualifications and increasing management efficiency.

Within the sphere of individual incentives, after wage adjustments on the basis of the law regarding the principles of creating plant remuneration systems (Footnote 6) (Law of 26 January 1984 on the principles of creating plant remuneration systems. DZIENNIK USTAW No 5, item 25) and after increasing the share of basic wages in the structure of emoluments; i.e., that part of wages which is related to work results, the subsequent phase of greater wage dependence on the actual quantity and quality of work performed by an individual worker has been left up to the initiative of the managers of enterprises. Meanwhile, the relationship between the quantity and quality of work and pay is, as a rule, loose because of incorrect work norms (if they are applied at all), the lack of reliable employment standards, nonadherence to the principles of the proper valuation of work and the principles on the basis of which workers are classified, the lack of the formal implementation and control of work results, etc., despite the obligation as prescribed by legislation to fulfill these conditions. The main reason for the loose ties between work and wages lies--regardless of the system shortcomings--in the shortages on the labor market which disorganize the implementation of a functional cadre policy and in the constant increase of maintenance costs resulting from price movement and inflation which places continual pressure on wage increases that are detached from work productivity. The drive to raise wage to meet the rate of inflation facilitates loopholes in the system of remuneration.

Thus, the system of remuneration paid into the burden of costs on the enterprise level is based on a parametric dependence of the increase in the sum

of emoluments on the increase in production. However, this formula of wage dependence on production results has not hindered excessive increases in emoluments. The exceeding of wage proportions was caused by, among other things, the use in certain sectors of the sold production index in the selling prices (implementation) which promoted the forcing of material intensive production and, furthermore, the wasteful allocation of rate reductions and amounts free of the PFAZ burden whereby--according to the report--the range of allotments is expanding whereas the amounts free of encumbrances are exceeding the amounts set in the CPR.

The law of 31 July 1985 changes liabilities for the PFAZ into a tax on above standard wage payments, which [tax] constitutes budgetary income. More significant changes affect the elimination of quantitative-value indexes and their transformation into a formula of wage increase dependence and the overall acceptance of the net production gauge (in the index-gauge formula), which besides increasing sales stimulates a reduction in production material intensiveness and material costs. Next, the law considerably limits the range of allowances shifting onto the Council of Ministers the function of determining correcting factors for the designation of reduced rates and amounts free from tax and for defining the principles of adapting the variants of formulas of interdependence to specific conditions of the functioning of various economic organizations. In addition to this, another innovation is the stronger correlation between bonus payment amounts and profit awards for distribution, which are tax free, and the amount of obtained profit as well as the relation between remuneration and profit along with the participation of remuneration in the costs of production. In this way, the postulates of taking into account the differentiated economic and production organization conditions and those of the wage intensiveness of production organization and, above all, the postulates of greater consideration of the influence of achieved financial results on the award and bonus amounts, were implemented.

The inadequate correlation between wages and profits was and continues to be an object of criticism which charges that the conduct of enterprise managers and the incentives themselves continue to be geared unilaterally toward production increases at the cost of functional and economical management. Therefore, a closer correlation between the bonus and award amounts free from tax, and profit should become the first point of departure from current policy.

However, individual incentives continue to be geared toward stimulating only individual work output and quality (if the early stages of the organization of plant economic teams are not taken into account). That is why the rank and file worker does not have any close association between financial results and his own remuneration. As a result, these workers do not have much understanding of the correlation between wage limits and the financial possibilities of an enterprise as well as the achieved financial results encumbered additionally with a progressive tax which is growing rapidly in proportion to the greater increase in wages over and above the limit free of tax.

The role of profits will, therefore, remain passive until the time that the share of bonuses and awards in the individual remuneration of workers based on profit will not increase significantly and until profit does not become a gauge and condition deciding about the total amount of remuneration paid into the burden of costs. It is only then that the interests of not only the managerial cadre but also of the entire work force will begin to concentrate on the results of the entire gamut of enterprise activity and, therefore, on efficient management, on the functional use of the means of production and, in particular, on the lowering of material, energy, fuel, etc. costs.

Assessment of the Financial System

As in the incentive system profit is not the principal factor, which stimulates efficient management, because of the dominant significance of the production growth rate for increases in remuneration, so in the financial system it does not constitute a significant means for financing enterprise growth. After paying income tax (approximately 65 percent of gross profit) and tax on above standard wage payments into the budget and after taking care of obligatory allowances for the reserve fund, not much remains for allowances for the work force and development fund from the remaining portion of profit. The significance of profit is also diminished by the method of financing employed in certain areas of activity directly from the means of turnover into the burden of costs as, for example, in the area of technical progress where financing is carried out from the FPTE, in social and housing activity financed from the basic allowances for these funds and in the area of modernizing-reconstruction investments for which one of the sources of financing are depreciation allowances. If to this we add supporting unprofitable enterprises with objective and subjective subsidies and the use of non-institutional tax relief and financial preferences, it turns out that the principle of self-financing by enterprises is not implemented with full consistency and that profit does not fulfill the kind of role that was attributed to it in the assumptions of the economic reform.

Because of the considerably differentiated financial situation of enterprises and the priorities of economic policy, the system of assistance must be reinforced by interventionist activity which, of course, is not conducive to the optimum allocation of funds and their efficient use. Such a system also does not create the economic necessity of conducting efficiency inspiring activity despite the announcement of hard financing. As a result, the distribution of funds functions inefficiently because on the one hand, excessive funds from within and from outside sources in the form of revolving credit are engaged in excessive reserve funds accumulated because of unsystematic supplies whereas on the other hand, the shortage of funds from within [an enterprise's own funds] for developmental purposes and the enormous difficulties in obtaining investment credit as a result of its extensive freezing in outstanding, continued central investments, hinder any kind of technical progress and are even the cause of the progressive depreciation of assets.

To a certain extent, the legislation which authorizes the granting and making use of loans between enterprises and the issuing of shares for the

purpose of obtaining funds for the financing of developmental and modernizing undertakings, attempts to rectify these difficulties. Another resolution pertains to the right of enterprises to create a fund of implementational effects from profits before taxation, which is set aside for awards for the authors and executors who put into effect research work in the area of new technical and organizational solutions and which creates financial incentives for the development of scientific-technological progress (Footnote 7) (Decree of the Council of Ministers of 4 October 1985 with respect to the specific principles of implementing allowances for the fund of implementational effects. DZIENNIK USTAW No 51, item 263). The law regarding the use of a portion of the income in exchangeable currency from export sales, i.e., with funds which until now have been accumulating on the foreign exchange allowance account on the basis of the resolution of the Council of Ministers (Footnote 8) (Resolution of the Council of Ministers No 152 of 4 October 1985 regarding the creation and use of foreign exchange allowances in exchangeable currency. MONITOR POLSKI No 32, item 218), is undoubtedly also conducive to making the principles of financing enterprise activity more flexible.

The institutional amendments [poprawki systemowe] and supplements introduced in 1986 are aimed at increasing enterprise independence and at partially lessening the financial restrictions dictated by the budget deficit. These restrictions are based on:

--excessive burdening of profits by income tax and in the case of a high degree of product profitability--on paying the turnover tax into the budget;

--paying a portion of depreciation allowances and funds for the centralized fund of technical-economic progress into the centralized account;

--the restrictive credit policy of banks in granting investment credit and on the imposing of severe conditions when granting turnover credit.

Ultimately, it should be expected that certain restrictions in the freedom of granting by means of allowances and bidding of preferences and tax relief will have a greater effect on stirring interest in one's own efficiency directed activity and on increasing efficiency of management while at the same time contributing to raising the rank of financial results. Therefore, the changes introduced by recent legislation into the economic-financial system are another step in the direction of the implementation of the reform assumptions, even though they do not in general resolve all the existing problem.

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DATA ON DECLINING LABOR PRODUCTIVITY

Belgrade RAD in Serbo-Croatian 20 Jun 86 p 16

[Interview with Dr Stjepan Han, retired professor, by Dragan Mihovic; date and place not specified]

[Text] "It is well-known that work is ennobling. But because we are socialists, we are not in favor of nobility. We would rather order work be done than become nobles ourselves," states retired professor Dr Stjepan Han, who, despite the burden of his 80 years, lacks neither energy nor wit.

"Our productivity level evokes a melancholy smile. It is not an exaggeration to say that in addition to other reasons, a low level of productivity and a fall in productivity in the last few years is the common denominator of all of our difficulties. It should not even be necessary to point out that nothing more can be spent, unless more is produced, just as it is clear in and of itself that a better life is not possible without better labor. But these simple truths, which should be evident to any thoughtful person, are not sufficiently omnipresent."

[Question] What do the facts tell us?

[Answer] Between 1945 and 1975 productivity in Yugoslavia increased at a rate of 4 to 5 percent annually, and we were somewhere near the forefront of European countries.

Between 1975 and 1980, however, this rate increased by only 1.5 percent, and from 1980 to 1983, productivity fell by .5 percent, therefore, by the end of this five year period there will be a negative productivity rate.

[Question] Today how do we stand in comparison with others?

[Answer] Let's take agriculture for example. Within 20 years we raised potato production by 30 percent, corn and wheat by 100 percent, eggs by 200 percent, sugar beet by 200 percent, sunflowers by 300 percent, etc. But there is no reason to get giddy over this success. This is the per hectare yield for corn, seen as the average of the social and private agricultural sectors: 45 quintals per hectare. If we use 100 quintals as an index, then Bulgaria produces 7 percent more, France 13 percent, Hungary 20 percent, Canada 24 percent, Italy 49 percent, and the United

States 53 percent more. The situation is similar with wheat, as well as with copper mining or housing construction.

[Question] Does this increase our dependence?

[Answer] We are champions of the struggle against colonialisms, but, as it concerns our economy, we have gotten ourselves into a colonial situation. If we were to buy the results of one hour of labor from our Hungarian worker comrades, or French or American, we would have to export the results of 2, 3, 4 or even more hours of our own labor.

[Question] How do we use an 8-hour day?

[Answer] Research going back 20 years, which was carried out in all the republics and provinces, in high and low productivity surroundings, shows that out of a nominal 8-hour day the amount of time actually spent working is catastrophic. It would be normal for every worker to work the full 8 hours. On a yearly average, the amount of time that a worker is not on the job must be deducted from this sum. Here is the balance sheet: for annual leave which every worker is entitled to by law, on a yearly average a worker is not on the job an average of 34 minutes, for extra paid leave 5 minutes, for extra unpaid leave 3, for up to 30 days of sick leave 14 minutes, for sick leave exceeding 30 days 5, for excused absences 9, for unexcused absences 2 minutes. This is a total of 72 minutes, or 1 hour and 12 minutes. If this is deducted from an 8-hour day, 6 hours and 48 minutes remain. Then from this figure time should be deducted for waiting for raw materials, tools, etc. 16 minutes, machine breakdowns 34, power outages 5 (this is a figure from the times when there were no restrictions, now this loss would be much greater), for meetings held during working hours 5, for arbitrary work stoppages 9, and for legally guaranteed breaks 30 minutes. This is a total of 99 minutes. As a result, a worker is physically at work for an average of 6 hours and 48 minutes, but because of justified and unjustified reasons, he has not worked 1 hour and 39 minutes of that time. This time can be explained away in various ways for planning work, for preparing the work place, for quality control--123 minutes. When this figure is subtracted from 5 hours and 9 minutes, only 3 hours and 6 minutes remain. This is the average effective working time of one worker. This is an intolerably low average.

[Question] Statistics say that every day 600,000 Yugoslavs fail to show up to work.

[Answer] This statistic, unfortunately, is correct, and it is particularly illuminating that this is not evenly distributed over the course of the year. When there is a harvest, or a planting, or when there is a celebration, or a wedding, then the Yugoslav working people suddenly take ill.

[Question] Does human labor affect machine labor?

[Answer] Working with one shift, interrupted labor, we use machines only 2,200 hours. The poor use of time on the job is followed by the poor

use of machinery. And here we have a second and third shift available to us through the hundreds of thousands, to a million unemployed workers. But because of apathy, or who knows what kind of complex, we make poor use of a second shift, and do not use a third shift at all.

[Question] Does the key to productivity lie in salaries?

[Answer] The salary levels and their equalization are perhaps the greatest causes for poor motivation for work. Approximately 58,000 economic enterprises were surveyed in 1981, and again in 1983 and 1985. The findings show that in one third, which means in 20,000 collectives, the ratio between the lowest and highest salaries was only 1:2. In almost one-third this ratio did not exceed 1:3, and in only 10 percent was the ratio 1:4. This is a blow to productive work.

[Question] At the same time, the difference for the same work in different organizations is too great.

[Answer] They say that a cleaning woman in certain electric utility work organizations has a salary which corresponds to the salary of an assistant professor at the poorest faculty in Yugoslavia. It appears that the bitter remark that it does not matter what you do so much as where you work is not without foundation. Even more bitter, it is not important what you know, but who you know, then you can come to work at a rich work organization. We are flagrantly violating Article 11 of the Constitution which states that labor and results determine an individual's material and social status, but in fact labor and results are the only factors that do not determine an individual's social and material status.

12788/12899

CSO: 2800/295

PRODUCTION, CONSUMPTION OF NATURAL GAS

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 9 Jul 86 p 5

[Article by C.M.: "A Hitch Even in the Planning Stage"]

[Text] The production of primary energy in coming 5-year periods and up to the end of this century is rather uncertain. This applies to natural gas as well. The main reason is an inadequate foundation for the planning of needs and the undefined policy for development and investment in the production of primary energy. Quantities also vary as a function of the "planners," and the spread of the production planned is very large, so that there is good reason to ask if it is realistic.

Explorations To "Save the Day"

According to the plan for development of Yugoslavia up to the end of this century domestic natural gas production is supposed to increase to 9 billion m³. This figure is one-third less than the one planned in the long-range development of the fuel and power industry. At the same time producers in the oil industry plan an output almost one-third less than called for in the long-range plan for development of Yugoslavia. The petroleum industry assumes that present gas production is modest and that exploratory work still does not afford the possibility for a more accurate examination of future production. The instability and uncertainty of even this modest figure depend on the results of exploratory work. How important that will be is indicated by the datum that four-fifths of future production is based on new deposits.

A Shifting of the Schedule

In any case greater attention needs to be paid to increasing the production of this primary energy, not only because the dependence upon imports has to be reduced, but also because natural gas consumption has grown at its highest rate over the last 10 years. Over the last 5 years it grew at an average annual rate of 14 percent, while in the previous 5-year period it was 15 percent.

To what extent gas production depends on the pace of exploratory work and on the "capacity" of new deposits is also indicated by the datum that only this year would we be able to anticipate any modest production of gas from the

Adriatic region. Yet by the end of the century this is supposed to be the dominant one, especially in the second half of the nineties. At the same time natural gas production from the continental part of the country would begin to record a descending line in the 9th decade, which indicates that most of production would have to shift to the Adriatic region.

Production and Consumption of Natural Gas (10^6 m^3)

<u>Indicator</u>	<u>1985 Plan</u>	<u>1986 Plan</u>	<u>Actual Re-</u> <u>sults in 1985</u>	<u>Index</u> <u>Number</u>	<u>%</u>
Production	492.4	711.2	638.5	129.6	89.7
Imports	208.1	251.1	233.6	112.3	93.0
Consumption	700.5	962.3	872.1	124.5	90.6

In addition to the faster production of natural gas, we should also count on increased production of gas from coal. However, the newly built plants would probably go into operation only in the middle of the next decade. The second phase of the gasification plant at Obilic would produce 480 million m^3 a year. In addition to these plants, production of gas for use as energy should also be anticipated at Kolubara and Kreka.

In any case it is up to the gas industry to define a joint program for long-range development of this production. It is not just a question of consistently implementing the policy of greater reliance on our own resources in the production of primary energy. Unless our production capabilities are examined, it is not possible to define imports, which cannot be made "ad hoc," just as it suits you at the particular moment. Then there is a particular problem in transport. Should it become necessary in the coming period for imports to grow more rapidly, it will also be necessary to define the main transportation routes and to make the relevant investments.

7045

CSO: 2800/310

PLANNED PRODUCTION OF TECHNICAL GASES

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 9 Jul 86 p 5

[Article by Z.M.: "The Advantage of a Realistic Assessment"]

[Text] The joint program for development of the production of technical gases--oxygen, nitrogen, argon, acetylene, hydrogen, carbon dioxide, gas mixtures, and calcium carbide--is the result of 2 years of activity on the part of producers, consumers, scientific research and engineering organizations, and domestic machinebuilding to examine the situation in this production sector, the causes of the structural discrepancy between output and demand, and also the developmental, technological, market, and material-and-financial needs and capabilities in this medium-term period. This program provides that through construction of new plants and reconstruction and modernization of existing ones over the next 5 years oxygen production will be increased 82 percent, nitrogen 110 percent, argon 632 percent, hydrogen 600 percent, carbon dioxide 210 percent, gas mixtures 900 percent, and calcium carbide 71 percent. Total technical gas production, then, would increase from 1.1 million tons, which is what it was in 1985, to 2.1 million tons at the end of the medium-term period, while the production of calcium carbide would increase from 40,000 tons to 72,000 tons.

Sufficient for the Domestic Market

Performance of this program would entirely satisfy the demand of the domestic market, and there would also be a surplus of certain gases which might be exported to neighboring countries. Direct exports could bring a foreign exchange result of \$8 million instead of the present \$1 million, which would be quite enough for this industry to cover its outlays to import spare parts for current maintenance of production plants.

So that these goals might be achieved, investments have been planned at 70.33 billion dinars in 1985 prices. Construction of new capacity would take up 78.42 percent of this sum, 8.45 percent would go for reconstruction and modernization of existing plants, 4.92 percent would go for the distribution system, and 8.21 percent would go for the raw materials base.

The producers themselves will have a share of 30.10 percent in the total resources required, 9.70 percent is expected from pooling, credits from banks

and contractors would cover 43.10 percent, and foreign credits 17.10 percent. The relatively high share of internal resources, the Joint Program states, is the result of this grouping's plan not only to meet obligations already outstanding, but also to set aside funds to expand its plant and equipment. The pooled resources are much smaller, but based on experience to date not much more can be expected from consumers. A major portion of the resources would have to be secured with bank credits, since past experience indicates that commercial banks gladly provide credit to finance the development of this production, since the producers discharge their obligations promptly; it is also worth mentioning that so far there have been no mistaken investment projects in this grouping.

A Clearer Statement About Importance

Since this program is to be carried out at a sizable number of sites all over the country, it was indispensable to have coordination and cooperation between the entities carrying out the program and the competent authorities of opstinas, the republics and provinces, and the Federation in the proceedings of drafting the medium-term development plans.

The purpose of drafting the Program, that document states, was not to adopt measures of social support, since the work was done on it before enactment of the new Law on the Bases of the System of Social Planning. However, one important motive was to familiarize the competent authorities in the country with the pro-[end of original].

7045

CSO: 2800/310

EXPERT INTERVIEWED ON CHERNOBYL AFTERMATH, REPERCUSSIONS

Bratislava NOVE SLOVO in Slovak No 24, 19 Jun 86 p 9

[Interview with Eng Stanislav Novak, CSc, International Agency for Atomic Energy expert in Vienna by Ruzena Wagnerova: "Soberly, Without Hysterics"; date unknown]

[Text] The International Agency for Atomic Energy (IAAE) headquartered in Vienna is also concerned with problems of nuclear safety through its department of the same name. The chief task of this department is to establish norms and standards to ensure nuclear safety in all nuclear installations while studying not only technical but also radiation aspects of protection. They also monitor operational safety, that is, the experiences gained during operation of nuclear installations as well as unusual occurrences at nuclear power plants which are analyzed and the results disseminated to member states of the IAAE. It is a system that is already well established and wide-spread. Czechoslovakia, as a member of the IAAE, also participates in these important activities. On the one hand it provides information about unusual happenings and on the other hand obtains them from the other countries. The experiences are consolidated and generally observed standards are established serving those countries where nuclear energy is starting to develop and, naturally, also those which had developed nuclear technology earlier. Stanislav Novak, CSc, is among the experts working in this important IAAE department. We have tried to tap his knowledge and rich experiences in the area of nuclear power safety in order to shed light on some urgent current problems.

[Question] Let us begin, Comrade Engineer, with what I suppose is the cardinal question: What is the level of the safety systems in the 352 nuclear electric plants currently operating in the world?

[Answer] Regardless of the accident at the Chernobyl nuclear power plant, I can say that the safety of these facilities is substantially higher than in most other human activities. What occurred not far from the capital of the Ukrainian SSR was an accident. But if we compare the losses of health and human lives with many other happenings to the ordinary person, and I do not speak of traffic alone, but if I mention even the soccer tragedy of Brussels the year before where 39 persons died or work-related accidents and fatalities, then the safety of nuclear power plants should also be judged from the

same broad perspective on the basis of a comprehensive evaluation. Or if we compare other sources of energy, let us say coal for the typical electric power station, the safety of nuclear facilities is a great deal higher. Naturally, we can never be completely satisfied with the degree of safety attained. Every satisfaction can, of course, lead to errors, not in the design or even in the manufacture, but the fault can be with man, whether he is sitting in the operation room or does maintenance work. His negligence can lead to far-reaching consequences. In other words, nuclear safety must be understood comprehensively and what I would like to emphasize particularly is that the people working here must be highly disciplined. If we consider nuclear energy this way then we see that it is one of the safest sectors at the present time.

[Question] Does this mean that the protective systems gauging the equipment of nuclear plants are of a sufficiently high standard that they could signal a malfunction in time so that prompt action could be taken?

[Answer] The first requirement for approving a project and for permission to let it operate at all is the operation of the reactor's protective systems. And these are always of a multiple character. In addition, they are directed through various channels so that in case of a fire or other loss of this system they could still compensate for it. A great deal of work went into analyzing the reliability of these systems and they work reliably. This is attested to by the specific case of Chernobyl where they stopped the chain reaction. That is also proof of their top quality. The same applies also to accidental cooling of the reactor. Naturally, in analysis it is scarcely possible to foresee all combinations of possible malfunctions so that it can happen that a chance combination of many failures could lead to an accident.

[Question] Do you record and follow up on information of such failures in the agency?

[Answer] Yes. We have a system in which countries operating nuclear power plants voluntarily submit information on unforeseen happenings (for the time being, not all). They send them in very detailed form so that we can analyze them or they send us the analysis alone. The most important thing, though, is determining what measures to take so that a similar accident does not occur elsewhere. That is the main benefit of the system currently used in the agency. However, they are expecting to improve it further. With us, this function is carried out by the Czechoslovak Atomic Commission which disseminates information received to designers, manufacturers and operators for their instruction.

[Question] In spite of your persuasive arguments the Western press unleashed anti-nuclear energy propaganda to the point of hysteria, on a scale contrary to journalistic ethics, not to mention amorality. In order to extract political capital from the accident they chose the tactics of disparagement and suspicion, claiming that information about the event came late to the IAEA. What are the facts?

[Answer] According to official information from the IAEA which I have at my disposal, Soviet representatives of the mission to the IAEA reported on the accident on 28 April. The following day a written report was submitted by

teletype. And immediately afterward the general director and experts of the agency were invited to the Soviet Union.

[Question] As we know, Dr Blix, the general director, accepted the invitation. Did he inform you employees of the agency about the situation after his return to Vienna?

[Answer] All employees of the agency were informed by an internal letter about the visit of Dr Blix to the USSR and also about the agreements made between appropriate Soviet agencies and the IAAE. On the basis of this visit, especially in those departments of the agency concerned with nuclear safety, proposals were made for further improvement in the agency's work. In certain areas, however, it is necessary to wait a while yet for conclusions on the causes of the accident. Only on the basis of a thorough analysis will it be possible to determine where and especially on what to concentrate even more cerebral and financial resources of the agency.

[Question] When do you estimate that this analysis will be available?

[Answer] The Soviet representative B.A. Semionov reported at an extraordinary meeting of the Council of Governors on 21 May 1986 that Soviet experts would execute it in the course of 3 months and would acquaint appropriate employees of the IAAE and also other specialists with its results. Personally, I think that further analyses will require even more time. Probably the main concern will be about the main results which will be valuable for the whole "nuclear energy" community. The preliminary analysis, however, will be prepared quickly, in an unusually short time in view of the importance of the event. After all, in the case of the somewhat smaller accident in Harrisburg in the United States in 1979, a similar analysis took over a year. I emphasize this primarily because many people, either out of lack of information, ignorance or even intentionally demand information practically overnight. And, after all, this kind of serious analysis does not represent a simple job. All aspects have to be carefully judged and evaluated. It is not enough to analyze only the course of the accident alone but they must also investigate where the error occurred. And that certainly cannot be expected in the course of a few days.

[Question] Let us return to the visit of Dr Blix to the USSR where he took part not only in discussions but also had the opportunity to see the entire area by helicopter and visit Kiev.

[Answer] The general director of the IAAE very earnestly informed employees of the agency and the public of his experiences. In fact, with dosimeters which he and the experts took along, they themselves measured the dosage of radiation obtained. As far as I know, these did not exceed 10 milliroentgen during their entire stay.

[Question] Could you explain more clearly what this dosage means?

[Answer] The dosage ascertained represents about 2/100 of the annual permissible dosage for the population.

[Question] You say for the population. And are these dosages also specified some other way? And also, what is the maximum dosage for a human?

[Answer] The limit for the population is fixed in the amount of 0.5 rems per year. Norms of radioactivity which are available, however, apply differently to the population and differently for personnel of nuclear power stations. For the population they are approximately 10 times lower than for power station employees. At the same time, one of the principles recommended by the International Commission for Radiological Protection is that exposure of the population and the workers must be as low as possible. The so-called ALARA principle applies here. This means that exposure must be as low as is most efficiently possible. These limits apply to standardized, routine situations. For accidental situations the international bodies recommend somewhat higher limits. These were formulated in the agency and are being prepared for publication. The majority of member states, including Czechoslovakia, know them but, unfortunately, they are not considered needed everywhere and are not observed everywhere. In the situation when they had to be used there was a significant lack of uniformity in the various countries and each could exercise its right to determine the tolerance limit according to its own judgment. Thus it happened, for example, that in the limits for milk there was a difference of 1.5 or an even greater multiple. There were similar differences in tolerance limits for lettuce, spinach and other vegetable products.

[Question] But this kind of lack of uniformity can only result in misunderstandings among the various countries...

[Answer] Precisely. Unfortunately, the problem was not only in lack of uniformity but in political exploitation of the situation.

[Question] In this sense it is clearly necessary to understand the measures taken by the EEC states on prohibiting the importation of food products from the socialist countries where the permissible limits were fixed lower! But still Austria also border on the socialist countries and imports from there were unrestricted.

[Answer] It certainly was not a technical problem. From a technical viewpoint meat, in fact, was produced in Austria, Hungary, and Czechoslovakia under approximately the same conditions. The decision to prohibit imports from socialist countries and permit imports from other countries may therefore be considered an exclusively political matter.

[Question] Let us take up the initiative of Gorbachev in his television appearance. How was it received by the management and employees of the IAEA?

[Answer] I had the opportunity to listen to Gorbachev's speech right at the meeting of the technical committee of experts for information on nuclear mishaps. The proposals presented are undoubtedly a further incentive for the agency's work. And the fact that the Soviet Union fully supports it in this activity was received extremely favorably by employees of the international organization. We anticipate not only further expansion of our work in the area of safety of nuclear power but also in its peaceful application in general.

[Question] In one of four specific points made by Gorbachev (published in the press) he proposed creating an international system for safe development of nuclear power on the basis of close collaboration of all states which are involved in atomic energy. Do you think this will be established?

[Answer] Right at this time I cannot predict by what method this proposal of his will be carried out precisely. However, it certainly will become the focus of attention in many discussions. The first of these is expected in the coming year (negotiations of this kind require demanding preparation) and will be directed more toward problems of safety than problems of development. It makes no sense to hurry and act rashly because one must consider the technical, political and social aspects and their mutual linkage. A conference is in preparation and I believe that the objective indicated by Gorbachev will be introduced.

[Question] Since the IAEA has been working some 30 years now without any significant modification in its operation and the development of nuclear power has advanced significantly in this time and the highest Soviet figure proposes strengthening the agency's work, how will this proposal be looked upon?

[Answer] Several proposals have already been formulated and prepared. The first of these was discussed at the extraordinary session of the Council of Governors on 21 May, mentioned earlier. Personally, I think that for now it is premature to talk about specific actions of the agency. These will be determined after receipt of the analysis from Chernobyl. However, the suggestion that the activities of the IAEA should be strengthened in assisting the developing countries as well as others developing nuclear energy, from the viewpoint of safety, was received favorably at the agency. At the Department of Nuclear Safety where I work, we proposed first of all increased assistance in the operation of nuclear power plants. This involves so-called teams of experts to check on safe operation.

[Question] You mentioned that in connection with the tragic event in Chernobyl the Committee for Nuclear Safety consisting of top-ranking experts in nuclear safety from selected countries of the world met at the IAEA in order to evaluate the situation that had arisen. What kind of conclusion did they reach?

[Answer] That without a detailed analysis of the happening in Chernobyl it is not necessary to take extraordinary measures to increase nuclear safety. The attitude of these experts is very sober; they have great faith in nuclear safety. Experience gained from 3,500 operational years of nuclear power plants in the world attests to the high level of nuclear safety. They did agree, however, that a specific mechanism must be set up to give timely warning of possible accidents to neighboring states. In addition, it is necessary to set up a system of rapid international assistance among countries in case of such an accident, which is a longer process but certainly must be implemented. Further, it is necessary to define the limits of radioactive substances in various products and especially to unify them.

An example in one of the measures mentioned could be Czechoslovakia and Austria, which were the first two states of the world to sign an agreement for exchanging information in case of a mishap at a nuclear installation so that

timely measures could be taken. So far, this is the sole example but I am convinced that there will be successors. And perhaps even an international mechanism will be born for which we are preparing the conditions in the International Agency for Atomic Energy. Surely, after sensible and prudent evaluation of the development of nuclear energy no other conclusion can be reached except that its further development will not be restricted or changed.

8491/9312

CSO: 2400/327

PIONEER ORGANIZATION CHAIRMAN DISCUSSES NEW YOUTH GOALS

East Berlin JUNGE WELT in German 15 May 86 p 3

[Unattributed article: "Alongside the Comrades--Our Words and Deeds for Our Homeland, the GDR--From Wilfried Possner's Speech at Conference "We Are Learning for Life"]

[Text] In his speech at the start of the conference, "We Are Learning for Life," Wilfried Possner affirmed that with the 11th SED Congress resolutions a broad field also has been staked out for the work of the Ernst Thaelmann pioneer organization. The pioneers and FDJ members are no less worthy than the workers and young researchers. They are using their schooling to get set for the demands of their future work and are helping in carrying the banner of the revolutionary accomplishments of socialism on German soil across the threshold of the year 2000. Lasting impulses for making the pioneer and FDJ life interesting at the secondary schools, in implementing the "FDJ Mission of the 11th SED Congress" and the pioneer mission, "Along the Side of the Comrades--Always Ready!" come from the central "Feast of Learning." Wilfried Possner discussed in his speech the FDJ and pioneers' tasks after the 11th SED Congress. He referred to six key points:

First: Meeting the new FDJ or pioneer mission means fashioning an idea-rich, attractive, and persuasive political-ideological work which helps the FDJ members and young pioneers become thoroughly familiar with the substance of the party congress, understand the policy it decided on, and advocate this fine policy by word and deed in any situation.

The appeal to youth issued by the 11th party congress starts with this demand: "Students of Marxism-Leninism, learn from history, take over the revolutionary experiences of the previous generations, and follow that path through steps of your own."

You dear pioneers and young friends know well enough from your own work: Our politically eventful age, the frequently contradictory worldwide struggles for socialism and peace, call for sound political knowledge, imagination, a clear class standpoint, and the ability to stand up for it. Not the abundance of words but the cogency of arguments is what bolsters evidence.

Important is for us on the leadership level that in selecting topics and issues we will always hit our friends' political nerve and see to it that discussions are engaged in always with an eye to one's own responsibility. Simply repeating such slogans as "turning one's own job into an arena for peace" just won't do it. Much more important is to give thorough thought to and discuss what an FDJ member and pioneer has to do where he is, whether everyone studies hard enough, whether everyone does something useful by now. Tackle more concretely such questions as: doing something for a good political attitude in the collective, spending our leisure meaningfully, and how do we conduct ourselves at school, in public? What are we doing to become familiar with science and modern technology, how are we dealing with art and culture, and with sports?

When someone asks such and similar questions, he rapidly gets beyond theoretical discussions, as experience has shown, and gets into a practical life-style.

In this sense we suggest, to implement the FDJ and pioneer mission, to charge once again every FDJ member and pioneer with a personal mission, to include such missions in the campaign programs or group plans, and to see to it that accounts are rendered on how they are being met before the collective.

Second: Fulfilling the new FDJ and pioneer mission means seeking high achievements in learning and their practical application with more initiative and energy still. Through good results in their studies and useful social activity the pioneers and FDJ members of the secondary schools are making their contribution to the consolidation of socialism.

At its congress our party has reaffirmed that it matters more than ever to cope with science and technology. Top achievements are needed at short shrift, to be converted into high-grade industrial and consumer goods, and not that alone, the important thing is further to strengthen the economic capacity of socialism, and hence socialism itself, dynamically to develop it, and thereby further heighten its radiation and attraction in the worldwide struggle for peace and social progress.

The party congress appeal to youth therefore calls on youth "always to stand up to the tremendous development of science and technology." And then it also says: "Coping with the scientific-technical revolution today is a task of revolutionary importance for the whole young generation."

That, however, presupposes a sound knowledge that is applicable as much as the willingness and ability always to gain new insights and experiences.

As our youth brigades and youth research collectives are seeking to turn optimum into permanent achievements, each FDJ member and pioneer at the secondary schools should stake his honor on achieving the best that is possible. Every day, in every subject, in each class hour, each assignment and each test, and in the study community. That--as many FDJ executives and councils are rightly considering--calls for more concreteness in rating study attitudes and results. Grades alone don't take care of that.

There are questions such as these:

--Does everyone come to class prepared well enough to face, without trembling and notes, a surprise test?

--Does everyone take full part in instruction from the first to the last minute?

--Does everybody enter sufficiently into instructional discussions?

--Is everyone already sufficiently dissatisfied with his mediocre performance when he knows he can do better?

---Is everyone doing enough already on behalf of a political climate in the FDJ or pioneer group in which, jointly with the teachers, things and persons are honestly referred to by name and a person takes his clues from the most active friends?

Such questions might be awkward sometimes, of course. But through ease we shall not conquer the heights of our social developments and of science.

Together with the school boards and FDJ executives of the sponsorship enterprises we shall see to it that more pioneers still, and mainly upper grade FDJ members, join the MMM movement.

Much depends on concrete requirements. They should be assigned with respect to age levels and should certainly have some social utility.

At the 12th FDJ Parliament we assigned ourselves the task to form 1,000 working teams prior to the 11th party congress in the fields of electrical engineering and electronics, construction, and agriculture. That task was overfulfilled. There are 2,996 such working teams working today. Some of them are represented at our central "feast of learning" and have shown the first results of their efforts.

Among other things we want to see to it that high achievements are sought in the labor contest in polytechnical instruction and that schools and classrooms get more tasteful and colorful exteriors.

We propose that all pioneer and FDJ groups, in getting set for the popular elections of 8 June, take charge of a concrete project under the "Join-in!" competition.

Through this new pioneer mission we of course also expect smart ideas and good hunches in our "Large-scale Search--Millions for the Republic" and in the "Korbin Action." In any event, we have adopted the goal to collect in the next school year 55,000 tons of old paper, 8,000 tons of rags, 25,000 tons of scrap, and 120 million bottles and jars.

A recognized aid for older people but also for families whose fathers work on FDJ youth projects in Berlin or in the Soviet Union, or are fulfilling their military service, are our 97,000 Timurs. We intend to increase their number to 100,000.

With an eye to the approaching end of the school year, thousands of FDJ members at the secondary schools are preparing their assignment to FDJ pupils brigades. According to 12th Parliament resolutions and appropriate regulations from the GDR Council of Ministers, there will be more of them than in

past years to attend one of the popular camps for recreation and work. The intention is to ensure by 1990 an annual assignment of two thirds of the FDJ members between 8th and 12th grade to the FDJ pupils brigades and to give at least 20 percent of them the opportunity to be assigned to a camp of recreation and work.

Third: Fulfilling the new FDJ or pioneer mission means making an active contribution to the secure protection of our socialist fatherland.

The 11th party congress appeal to youth says: "Join all your forces in the struggle for resolving the most important task of the times--the preservation of peace. The stronger socialism is, the more secure is peace. the more secure peace is, the clearer are the prospects of youth."

Together with the GST we want to arrange that all prepare themselves well for their basic military service and that the best FDJ members are enlisted for voluntary extended military service and the military profession. That should be of concern not only to the FDJ applicants collectives but become much more of a focal point for all FDJ groups.

Fourth: Fulfilling the new FDJ or pioneer mission means deepening the friendship with the Soviet Union and all socialist countries, means contending for the preservation of world peace and exercising anti-imperialist solidarity.

The 11th party congress appeal to youth puts it like this: "Study and work, work and study so that each of you will meet his test, in word and deed, as a socialist patriot and proletarian internationalist."

Wholly in this sense we are fashioning our 'feast of learning, as a feast of joie de vivre that expresses as much our allegiance to our socialist fatherland as the intention always to hold high our friendship with the Soviet Union and the other socialist countries, as well as anti-imperialist solidarity. That is most conspicuously expressed in our anti-imperialist solidarity pipeline and our "Russian language feast."

From this feast of ours we heard now the call to get set for and conduct the Week for Socialist Pioneer Aid of 1986. Its motto is: "A Home for Carlos, Raffaella and Luis." Through what we collect there we want to help build and equip two orphanages in Nicaragua.

Fifth: Fulfilling the new FDJ and pioneer mission means fashioning everywhere a substantial intellectual-cultural and tourist-athletic life and always provide a healthy and happy atmosphere.

For that also we find numerous suggestions in our central "feast of learning": the 10th Central Friendship Gallery, the foyer program "to learn, to produce, to be happy," and the "sing along" song contest in the Palace of the Republic. All these activities also reflect the curiosity of the FDJ members and pioneers in the secondary schools. They seek discussions and want to test their mettle in the various fields.

A great responsibility for that is borne by the FDJ school clubs. We want to turn them more still into creative and intellectual-cultural centers.

Closer cooperation between the territorial FDJ youth clubs and the FDJ school clubs should provide still more attractive varieties of programs.

Especially for sponsoring broad intellectual-cultural and sports activities in FDJ and pioneer groups we ought to let ourselves be guided more still by this principle: All of them must not always do everything together, but there should be stimulating offers for everyone, such as attending theaters or concerts, reading recitals or personal hobbies, joining FDJ or pioneer glee clubs or engaging in sports regardless of one's capabilities or one's membership in sports clubs.

Sixth: Fulfilling the new FDJ and pioneer mission means further consolidating our FDJ basic organizations and pioneer friendship societies and our FDJ and pioneer groups as combative teams.

You all, dear friends, can confirm from your own experience that FDJ and pioneer work is fun if something is truly going on in the groups.

That is why we all want to see to it that many ideas and suggestions from our central feast of learning are brought into the planning and organization of each FDJ or pioneer group or working team.

An inseparable link exists between the quality of FDJ work in 8th grade and the circle called "Under the Blue Flag," intended to familiarize the future FDJ members with the history and statute of our youth association. Our friends' attitude toward the FDJ--everyone here is likely to confirm that--decisively depends on conscientiously preparing the pioneers for their FDJ membership and on the ways and means in which they are accepted.

How FDJ and pioneer collectives cooperate, that above all controls the political work in the secondary schools. It is of great consequence to that that more and more FDJ members in the upper grades--now as many as 20,124 group pioneer leaders and 4,638 leaders of the circles "Under the Blue Flag"--exercise concrete functions in support of the work of the pioneer friendship societies.

What matters now, proceeding from there, is to recruit more group pioneer leaders and heads of working teams and induce more youth brigades to assume sponsorships for FDJ or pioneer groups in secondary schools.

With new impressions and experiences you will soon be going home. Those you will use--the FDJ Central Council is certain--for still more effectively conducting the exploitation of the 11th SED Congress resolutions in your basic organizations and pioneer friendship societies and tackling, with a wealth of ideas and a spirit of initiative, the implementation of the new FDJ or pioneer mission.

5885

CSO: 2300/479

VOIVODSHIP PRE-CONGRESS CONFERENCES CITED

Worker Notes Shortages, Inefficiencies

Warsaw TRYBUNA LUDU in Polish 24-25 May 86 p 3

[Article by Edward Sawicki, grinder at the Transportation Equipment Plant in Mielce: "Using Working Time Efficiently"]

[Text] One may conclude from the party discussions conducted and the statements at meetings that the apprehension present about the realization of some of the assumptions in the program, and also the congress ones, are due to the present socioeconomic situation, the still occurring difficulties with supplies of materials and energy, and the lack of economic equilibrium.

A full restoration of money-market equilibrium and a decrease in the level of inflation are expected in 1990. We should therefore seek ways to develop the economy intensively--by increasing efficiency and savings. Many suggestions and comments in this regard have been made among us, a definite majority of which were directed at ourselves. Among other things, they have to do with better use of working time and discipline, economy and the struggle against wastefulness, and restrictions on the number of various types of conferences and meetings of social and political organizations during working hours.

A great deal of room has been given in the discussion to the problem of emoluments for labor--creating a suitable incentive system.

It is assumed in the theses that the main level for implementing the program is, among other things, increasing the export capability of the economy and intensifying economic cooperation within CEMA.

Our enterprise allocates over 50 percent of its production for exports, which we plan to increase by 80 percent during the current 5-year period.

We are known throughout the world for the production and export of agricultural aircraft. We have a high demand from the Soviets for purchases of AN-28 passenger aircraft, which are already serving regular routes in that country. There are coproduction problems in the manufacture of engines, however, and these problems are preventing us from developing the production

of this aircraft to the extent of our capabilities. We also have several supply difficulties and shortages in the employment of workers.

At the initiative of the plant party organization, worker partnerships have been organized at the enterprise, and 260 of them have already been functioning for almost three months. This is a good and effective way of dealing with employment shortages.

Main Role to Worker Class

Warsaw TRYBUNA LUDU in Polish 24-25 May 86 p 3

[Article by Rajmund Borowicz, foreman at Ema-Apator in Torun: "We Are the Party of the Working Class"]

[Text] We have heard in some statements that workers are not working very productively. It is not always the organization of labor, however; mistakes also occur in management and administration at various levels. Is the man standing at the machine responsible for this?

When we speak about the worker nature of the party, the role of plant organizations in forming a suitable political-social atmosphere at the work institution deserves special emphasis. Above all, ensuring true worker self-management at the work institution contributes to this atmosphere.

The party should do everything possible to ensure the development of democracy among workers' work forces, in which workers, with full freedom and openness, will decide jointly on all production, wage, and social problems.

The party's draft platform states that workers are at the same time the ruling and the working class. Both of these functions must be performed simultaneously. This therefore means, above all, the need for the party to guarantee the influence of workers upon all areas of life.

In this process there must for this reason be a change in both the legal position of the working class, through an improvement in working conditions and an increase in legal authority, and also its position as the ruling class. This is a question of having as many workers as possible in the party's ranks, in order to have a large worker representation in party authorities, since this guarantees that workers' opinions and needs will be directly passed on there.

Equal Treatment to All Agricultural Sectors

Warsaw TRYBUNA LUDU in Polish 24-25 May 86 p 3

[Article by Tadeusz Ksiazek, president of the Agricultural Producer Cooperative in the village of Mala, in the district of Ropczyce: "Equal Chances for All Sectors of Agriculture"]

[Text] The draft PZPR Program assumes that equal conditions for social and cultural development will be created for the inhabitants of cities and villages. In practice, what happens is that farmers who want to have a road, water, or a club have to build this for themselves through social collective action. Gas is already a luxury, and then there has to be 100-percent participation by the inhabitants. One somehow never hears, however, of streets, water systems, or cultural houses being built by collective action in cities.

I am therefore proposing larger subsidies for social collective actions.

It is assumed in the theses that there will be equal treatment for all sectors of agriculture, and that equal chances for development will be created for them. In actuality, all sectors have equal access to very expensive and low-quality means of production, and they all have equally high liabilities to pay. There are several small matters in which there is unequal treatment, however; for instance, the Food Industry Bank, in giving a credit to a cooperative, uses the same interest rate as for private farmers, but there is no interest on the money deposited in the bank by the cooperative, which is out of the question with respect to private farmers. The cooperative pays 6.55 zlotys for one kW of electricity, and the private farmer pays 3.50 zlotys; for coal, we pay a supply price that is 100 percent higher than the retail price that is in effect for farmers, although all sectors have equally difficult access in purchasing it. Our fuel is regulated, only for the needs of agriculture and agricultural services, but the farmer buys it without any restrictions, without explaining what it is to be used for.

And there is one more subject that is very important: inspections and reports, which take up a great deal of our time in the course of a year--for instance, 30-40 days for a full audit, a month for verification, 14-20 days for the Treasury Chamber, and in addition to that the health authorities, the fire department, the militia, the labor inspector, the IRCh [expansion unknown] inspector, statistics, offices, representatives of the Breeders' and Cultivators' Unions, inspectors of contracting units, etc.

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WARSAW PRE-CONGRESS TALKS WITH YOUTH, NON-PARTY PARTICIPANTS

Warsaw ZYCIE WARSZAWY in Polish 31 May-1 Jun 86 pp 1,2

[Interview with Jerzy Boleslawski, first secretary of the Warsaw PZPR Committee, by Teresa Gawerska; date and place not given]

[Text] [Question] The delegates to the Warsaw PZPR Pre-Congress Conference deliberated on Saturday, May 31, at the Marcelo Nowotki Machinery Plants. Before I ask about the results achieved by the conferees in their debates, would you please characterize briefly the Warsaw party organization?

[Answer] We now have almost 138,000 members and candidate members, and there are nearly 4,800 primary and branch party organizations. Intellectuals predominate, which is not unusual for our agglomeration. We still have too few working-class people in the party; they constitute 21 percent of the membership. Youth up to 29 years old constitute only 6 percent. However, people in the postproduction age form a very significant group.

[Question] Are these same percentages being maintained among newly accepted candidates?

[Answer] No. The changes are significant. Among the candidates accepted by the party this year, 25 percent are workers, and 30-35 percent are young people. It also should be noted that in the first 4 months of this year 1,700 candidates were accepted, that is, as many as during all of 1984.

[Question] Can this increase be linked to the pre-congress campaign?

[Answer] I am convinced that it is, although it would be a simplification to generalize this opinion.

[Question] I know that non-party people also participated in the discussions on the drafts of the party program.

[Answer] Of course. In our party life this is properly observed and cultivated. Almost 20,000 non-party people participated in the discussion meetings on party documents, and nearly 4,000 of them submitted comments and opinions. Over 800 non-party people volunteered to participate in groups conducting individual talks.

[Question] What characterized these discussions and talks? I have in mind, of course, party as well as non-party participants in the campaign.

[Answer] Above all criticism; sporadically it was fault-finding. Substantive evaluations of weaknesses as well as good activities are being formulated more often. Critically reviewing events happening in one's own backyard and within the area of one's own activities is a very positive phenomenon in the pre-congress campaign.

[Question] The theme of the meetings and discussions was clearly differentiated and encompassed all spheres of life, work and economic, social and party activities. Did any one of these predominate?

[Answer] Regarding the economy, there were two primary themes: housing, including the overall housing policy; and scientific-technological progress, especially quality of goods and productivity.

[Question] I know that during the campaign the role of the working class as the primary force for socialist renewal and problems of widely understood social justice were discussed.

[Answer] Yes. These matters were discussed almost at all the meetings, and the opinions were often radical and at times even controversial. Thus I am certain that neither our regional conference nor the Tenth Party Congress will be insensitive to these matters. However, Warsaw's working class and intelligentsia communities are in close agreement on two questions: the need to modernize our economy and the need to reduce technological gaps, that is, to make up for lost time, and that people--their initiative, ability, desire to excel and capacity to think in modern terms--are the most important element in this race.

[Question] Since I am talking with an organization secretary, let us discuss these matters for a little while. But let us not talk about cadre postulates because they, among others, will be presented at the Warsaw conference. Instead, please provide information about the activities already undertaken by the party's Warsaw echelons.

[Answer] We have several proven ways of exchanging experiences and helping the aktiv who are working proficiently and competently. For example, the Master Forum is designed for the best representatives of middle supervision in engineering and economic laboratories, and for directors and party organization secretaries.

[Question] You also are attempting to seek very gifted young people for management positions.

[Answer] Yes. Since last fall nearly 50 young workers, primarily from industrial plants, have been receiving post-graduate training in "Policy of Enterprise Management" at our Center for Ideological Training. They are improving their qualifications and learning the art of management and planning. The best among them will become the so-called reserve cadre and will obtain priority in competing for management positions.

[Question] Will completion of this year's training be equivalent to assuming a management function?

[Answer] No. It will merely be an aid, for example, in competition for director positions.

[Question] Who selects trainees? Are only party members chosen?

[Answer] The directors and social organizations of the industrial enterprises do the selecting. Non-party people are also trained, and there are three times as many applicants as there are vacancies.

[Question] Regular meeting with gifted students are also held.

[Answer] Once a month we invite a group of students, ZSP members, to the Warsaw Committee. We discuss Warsaw's economy and other city problems that are important to and difficult for the city. The students, future specialists in a given branch, attempt to resolve these problems. This collaboration has just begun, but I believe that before long we will be able to talk about concrete results.

[Question] Does collaboration with young designers and inventors, winners of contests and competitions, scientists and social activists make similar sense?

[Answer] This is another initiative to seek and involve young talent. We have many young, capable people in the Warsaw region who, by their work, contradict the current opinion about a generation of lost opportunities. Our party organization wants to take charge of these young people, help them to get a start in life and in their professional careers.

[Question] How are you beginning?

[Answer] The first group of nearly 70 young talented people are being invited to participate in mid-June in discussions in several problem groups. We want to hear their opinions about how they view the future and our life today, and what they think about the economy, education, culture and science.

[Question] And recommendations?

[Answer] The most interesting and specific ones will be forwarded to the Warsaw delegates to the Tenth Party Congress. I believe they will supplement the achievements of the Warsaw pre-congress conference and the results of the discussions on the drafts of the party documents.

[Question] Can you tell us again how many delegates will represent the Warsaw PZPR organization at the most important party forum?

[Answer] The Warsaw pre-congress conference will select 84 delegates. Together with those already selected, there will be 110 delegates at the Tenth Congress. It should be added that the Warsaw conference marked the end of the pre-congress campaign.

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WARSAW PRE-CONGRESS TALKS SPUR CRITICISMS

High Level Discussions Ignore Workers

Warsaw TRYBUNA LUDU in Polish 2 Jun 86 p 6

[Statement by Slawomir Nowakowski, chairman of the Warsaw Agreement of Trade Unions]

[Text] On many occasions, the union movement has taken a position on the issues of the functioning of the capital's transportation, trade, the health service, and housing construction. On this last issue, we recognized that the situation has reached a point at which a state of emergency should be declared in construction. We support the views of the work forces that the entire investment-construction process, all the way up to the policy for distributing and changing apartments, should be subjected to precise verification. In order to avoid situations in which an apartment becomes an extremely attractive commodity for bidding, it is necessary to adhere absolutely to the principle that an apartment should be obtained by those who need it the most. The system for qualification and the distribution of apartments that is currently in effect should be discontinued.

For several months, a great deal has been said about three issues that are not insignificant to the union movement: collective agreements, working hours, and the social and housing funds. A great deal has been said, but where? In the offices of the chairmen of organizations above the plant ones, while at the plants there have been speculations and conjectures. The withdrawal of these problems from broad social and union discussion is treated at the plants, rightly, as an impermissible mistake.

Dedicated Personnel Lacking

Warsaw TRYBUNA LUDU in Polish 2 Jun 86 p 6

[Statement by Jan Sobkowicz, first secretary of the PZPR City Committee in Otwock]

[Text] In our region, there is concern about the shortage of management personnel, which has been continuing for years, both in Otwock and elsewhere--

in the voivodship a dozen or so management positions, mostly in local administration, are always vacant in the city and the region. It is therefore difficult, under these conditions, to make a positive selection of personnel when even competitions and press announcements do not ensure the necessary number of people willing to work in management positions. Among other things, low wages are a barrier. This problem is not occurring just in places near the capital; in Ratusz, close to half of the department manager positions are vacant, and there is also a lack of many specialists. This has an effect on the efficiency of the activity of the administration. Only linking the criteria arising from the party's personnel policy--high qualifications, proper ideological and moral attitudes, responsibility, and involvement--with a suitable wage policy can yield results.

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PROJECTED LABOR CODE CHANGES SPUR DISCUSSION

Legal Weekly Reviews Main Issues

Warsaw PRAWO I ZYCIE in Polish No 26, 28 Jun 86 pp 6,7

[Article by Malgorzata Piasecka-Sobkiewicz: "The Labor Code in the Sejm"]

[Text] June 19, the second day of the Sejm session. The Thursday Sejm debate concerns above all changes in the labor code. The program consists of the first reading of the government draft law amending section 11 of the labor code, whose current heading reads "Collective Labor Contract." The subject is of great interest, as attested best of all by the number of deputies registered to speak on this subject. There were 15.

Intense debate on a new collective contract model lasted 2 years. The changes were governed by the desire to adapt collective contract to the requirements of economic reform, the principle of enterprise self-financing and the new status of trade unions.

The draft sent to the Sejm is a compromise. It was impossible to create a draft that would please everyone. Thus the draft proposes to keep intact the branch-nature of collective contracts and the principle that contracts will be signed by ministers. This will occur while respecting completely the principle of self-financing of enterprises and their right to conduct their own motivational wage policies in the form of plant compensation systems formed on the basis of different regulations.

At the Sejm forum, Deputy Alfred Miodowicz, OPZZ chairman, said "the government's general concept has many elements in common with the positions of the trade unions. For example, it takes into account the framework nature of collective contracts and the consideration of basic questions in plant agreements. We also reached an understanding with the government concerning who will sign these agreements, the question of financing wages and the inclusion of retirees and pensioners in the contract norms."

The government draft was even reviewed by other organizations before being presented to the Sejm for deliberation, including the National Council of the Patriotic Movement for National Rebirth, the Main Administration of the Polish

Economic Society, competent groups of the Economic Reform Committee and the Main Administration of the Scientific Society of Organization and Administration.

A New Model for Contracts

It is anticipated that the basic regulations on collective labor contracts will remain in the labor code as is. However, regulations concerning plant agreements will also be included. After all, even the title of section 11 was changed to "Collective Labor Contracts and Plant Agreements."

The draft also projects that contracts for separate branches of labor will continue to be made. However, contracts can also be signed for designated professions (for example, journalists or artists). Depending on the need, professional type contracts could be used more often (a list of professions was issued by the Council of Ministers via an executive order after consulting with the national interunion organization).

The regulations of the draft state that a contract should designate the conditions for compensating workers and granting other benefits associated with work; the working conditions that are associated with the characteristics of the labor branch or occupation (also including workers' rights warranted by the specifics of working conditions); and the principles and forms for framing workplace safety and hygiene as well as social and cultural conditions in workplaces. (The authors of the draft acknowledge that these issues should be given higher priority, and coordinated and programmed at the proper levels--M.P.) In addition, the mutual obligations of contract signatories concerning the principles and forms of cooperation in implementing a contract will also be a regulating factor.

Two important principles concerning a contract's provisions were included in the draft:

- they should be compatible with legal regulations and the state's social and economic policy that was established by the Sejm in the national socioeconomic plan;

- they cannot be less beneficial for the workers than the code's regulations relative to other laws or regulations issued by the Council of Ministers.

Workers' rights can be designated in a contract which are more extensive and beneficial than those regulated generally and uniformly in the labor code regulations or in other regulations. However, such a regulation is permitted only if it is warranted by the specific occupational or working conditions authorized by the code or other regulations.

In the justifications for the government draft it is stated: "Under economic reform conditions, it becomes necessary to create a two-stage system to regulate wages, benefits and other working conditions via branch and professional labor contracts or plant agreements. Thus, collective contracts for enterprises authorized to use plant compensation systems will be basically of a framework nature and will be obligatory concerning wages and benefits in

the area of minimum rates but under the condition that the enterprise has developed resources of its own to finance them."

In this way the level of wages and benefits will adjust eventually to an enterprise's financial capabilities. The motivational function of wages will increase as the dependence of compensation on work output increases. In turn, this type solution should facilitate greater worker interest in improving the economic results of enterprises.

The amount of workers' minimum compensation will be equal to the amount specified by the Council of Ministers that will be obligatory every year on January 1. Additional compensation and benefits can be designated in a contract (for persons employed in plants authorized to use plant compensation systems) in terms of a percentage above the minimum compensation (or the minimum compensation specified in the contract). However, for persons employed in other plants, the contract designates the specific rules for compensation or granting other benefits associated with work in a given branch or profession.

Detailed Solutions

In the future, detailed solutions will be the subject of negotiations between the interested parties.

According to the draft, the parties concluding a contract can establish procedures to determine periodically how the contract is functioning; to clarify the content of contract provisions and to settle disputes in this area among the parties and in the mutual obligations concerning compliance with a contract's provisions, especially refraining from issuing regulations or taking actions that are contrary to the contract.

To date, some questions regarding the closing or dissolution of contracts and supplementary protocols, and agreements concerning entering into contracts were regulated in executive regulations of administrative procedures. But the draft authors thought these issues should be included in the law. Above all, the parties to the contract were designated in the law. They are the federation of trade unions or national trade union proposing the motion and, from the plant's side, the minister (director of the central office), the central cooperative organization or the national central social organization, or the association of nonsocialized workplaces.

It could happen that in a designated work branch or occupation several federations or national trade unions could be active. Then they would nominate a joint representative body to conclude a contract.

The draft authors believe a concluded contract should be in writing. A contract can be for a designated or undesignated period of time.

Based on the draft's regulations, a contract can be dissolved within a certain time period if all parties to the contract agree or at the conclusion of the term of notice effected by one of the parties to the contract, or at the conclusion of the contract period.

It also will be permissible to revise a collective contract, which is something new in regulations to date. This can occur if the national socioeconomic plan is changed radically or a new national socioeconomic plan is adopted. These changes will be implemented via accessory protocols.

Another new item: the minister of labor, wages and social service affairs, in registering a contract within 3 months after it is submitted for registration, will be authorized to determine if the contract is legal and in accordance with the state's socioeconomic policy established in the national socioeconomic plan and with the rules designated by the Council of Ministers to realize this policy. Thus, a minister's existing authority will be restricted. Currently, it is obligatory that a collective contract be approved completely and unconditionally by the minister.

A specific procedure for settling disputes in this area was also prescribed in the draft's regulations; such a solution is not possible in existing regulations. When a minister refuses to register a contract the Supreme Court settles the dispute (if it is alleged that the contract is illegal) or a parity government-union commission settles the dispute (if the contract conflicts with the national socioeconomic plan). The Presidium of the Government selects one-half of the commission members and the other half is selected by the proper organ of the national interunion organization.

The principle of self-financing of enterprises is reflected most fully in the regulations which state that wages and benefits can be part of a contract providing the enterprise generates on its own the financial resources needed to meet its contractual obligations. This applies to minimum wage rates and benefits as well as to the larger compensations provided by the enterprise. The latter should be conditioned by the enterprise observing the proper principles for standardizing work. However, enterprises in the process of liquidation or bankruptcy will not be able to increase compensations and benefits.

Plant Agreements

Plant agreements encompass tasks associated with realizing plant plans regarding increased labor productivity, improving plant operations, strengthening labor discipline, the plant compensation system and detailed principles concerning working conditions and the application of other contract provisions.

An agreement can stipulate a right to supplemental pay for years of work and for anniversary bonuses that depend on the period of employment only in the given plant. Inclusion of compensation not linked with work output (for example, allowances in kind) also does not have to be included in the agreement.

An agreement should be concluded in writing within 12 months after a contract goes into effect by the plant director (after obtaining the approval of the proper worker self-government organ) and the plant trade union organization. The agreement becomes effective the day it is registered unless the parties designate a later date. However, according to the draft's authors, the

provisions of the agreement concerning wages and benefits associated with work become effective on the date the plant obtains the financial resources via its own activities to realize these provisions.

It is anticipated that registering a agreement will be done by the promoting organ or the organ supervising the workplace.

The draft allows for the possibility of changes in a agreement from the time it is concluded to its registration. In addition, the legal rights of worker selfgovernment in matters concerning signing plant agreements are guaranteed to be maintained.

In addition to the regulations described herein, the draft also contains temporary regulations. On the basis of these temporary regulations, it will be possible to allow branch rights (for example, allowances in kind) to pensioners and retirees and their family members, but only where such rights now exist and without the possibility of expanding these rights. The existing percentage share of branch benefits of total compensation should be maintained. The possibility of eventually increasing these benefits will depend on the economic situation and would be a subject for periodic analysis by the government. Otherwise, new branch and trade rights and benefits will not be introduced.

The draft designates 1 January 1987 as the date the new regulations become effective. It is quite distant. In the draft's justifications it is stated that "concluding new collective labor contracts should take place after the national socioeconomic plan is passed, and the principles for determining interbranch percentage compensations and benefits are established. An appropriate transition period is necessary between passage of the law and its effective date in order to initiate appropriate preparatory actions to conclude new contracts and reconcile executive regulations. A need exists to continue to advance the process of implementing plant compensation systems."

At the Sejm Forum

A discussion ensued after the minister of labor, wages and social service affairs presented the main assumptions of the government draft. Concern over social, wage and benefit issues as well over veterans of labor, that is, retirees and pensioners, predominated in the discussion. It was emphasized many times that contracts can regulate certain matters only in a framework way, not by imposing on enterprises wage resolutions such that the enterprises would lack funds to cover the excessive wages. The new solution also may not violate the principles of the national economic plan and cause an excessive rise in the money supply.

Deputy Ryszard Tomczewski said "payments in kind are in reality a thing of the past in a modern state having a healthy economy, but our economy is just now returning to health. Eliminating payments in kind under current market conditions would cause much unhappiness, especially among retirees and pensioners entitled to them. In a situation where payments in kind can no longer be maintained, veterans of labor should be provided with real compensation."

Even during the course of work on the draft, the issue of payments in kind was a serious point of controversy between the OPZZ and the Ministry of Labor, Wages and Social Service Affairs. The ministry considered the idea of including payment-in-kind benefits with basic compensation. In the opinion of Minister Stanislaw Gebal, this would eliminate worker pressure to expand these payments in the future. But the trade unions took a different position on this matter, and basically their view on this question prevailed in the government draft.

Deputy Jan First asked the minister of labor, wages and social service affairs if the signing of contracts and agreements based on the new principles will cause excessive wage differentials, which in turn would cause workforce fluctuations and job resignations that would be unfavorable for plants.

After the first reading at the Sejm forum, the draft was sent to the Socioeconomic Council for review and comments, and to two Sejm committees: the Legislation Committee and the Social, Health, Social Security and Physical Culture Committee for further work and clarification of certain ambiguities.

I believe this work will narrow the differences between the government and OPZZ positions. It turns out that to date the discussion on the draft created an atmosphere of sensation and, it is said, even a test of strength between the government and trade unions. But even this complaint was lodged at the Sejm forum during Thursday's debate.

Round-Table Reveals Different Opinions

Warsaw TRYBUNA IUDU in Polish No 26, 28 Jun 86 pp 6, 7

[Article: "TRYBUNA IUDU Editorial Staff Discussion: Differences Concerning Principles of Collective Labor Contracts," discussion conducted by Teresa Grabczynska and Krystyna Sonntag]

[Text] Implementing the principles of economic reform has raised the question of amending the regulations of the collective labor contracts contained in section 11 of the 1974 Labor Code. After all, new conditions based on the principle of enterprise self-dependence, self-government and self-financing require changes in existing regulations concerning work conditions.

Trade unions have been proposing new collective labor contracts since 1983. However, this turned out to be difficult to realize because this issue generates significant differences in opinions in the formal-procedural area and with regard to the basic question concerning social and economic realities.

In the ongoing discussions on this subject, two questions are of primary significance; Who will bear material responsibility for the financial results of the provisions contained in the contracts?

And two: What will be the relation between collective contracts and existing, legal plant compensation systems?

An attempt to answer these questions is the exchange of viewpoints expressed during an editorial staff discussion. Wacław Kmita, Wacław Martyniuk and Wiesław Radzikowski, all OPZZ representatives and members of the union group on collective contract affairs; Stanisław Babel, representing the Ministry of Labor, Wages and Social Service Affairs and director of the department of labor law; and Zbigniew Krawczyński, an expert from the Institute of Labor and Social Affairs were invited to participate in the discussion. Here are extensive excerpts of this discussion.

[TRYBUNA LUDU] The government draft law on collective labor contracts has been sent to the Sejm. The deputies are debating what its final form will be. However, they have a hard nut to crack because the trade unionists are saying they will not retreat from their version of the draft law.

What is the basis of the differences between the trade unions and the government? Is it necessary in our economy for a law on collective labor contracts to be a legal act? Does it not violate the principles of reform and interfere with enterprise self-dependence? Does it pose a danger to the motivational system of wages that was developed with such great difficulty?

[W. Kmita] The trade unions maintained an unequivocal position from the very beginning. New collective labor contracts are needed to enable workplaces to operate independently within the framework of the three "S's" (self-dependence, self-government and self-financing), adapting the legal situation to wage and social policies, which is also within the jurisdiction of the enterprise and its tasks. Our concept of collective labor contracts in no way—and we emphasize this very strongly—violates the principles of economic reform. And we can prove this.

We are discussing collective labor contracts, but we are talking about two parts that are integrally linked. The first part concerns basic wage benefits and other worker benefits, which will be designated as minimum benefits to be established for a given branch by the parties concluding an all encompassing contract. We want this part of a contract to guarantee workers minimum benefits.

[W. Martyniuk] And this is nothing more than assuring the basic function of trade unions, that is, protecting the interests of workers. Thus, in no way can we deviate from that responsibility.

[W. Kmita] However, under reform conditions, we want to limit that function to minimum levels of benefits in specific branches that are guaranteed by both parties: the administration and the unions. We are not afraid that with such constructed mechanisms a situation could occur in which, for example, a given plant would clamor for financing ...

To us it is clear: this part of collective labor contracts will not incur costs and will not require financing from the state budget, and thus it will not violate the principles of reform.

However, we are fighting to make these provisions obligatory because that is the only way we can talk about real protection.

[W. Martyniuk] Plant agreements are the second integral part of collective labor contracts. It is our understanding that plant agreements are supposed to define all that was contained in the branch contract. It also is supposed to expand its bequests providing, of course, a plant's finances allow it. That is, wages and benefits can increase only if the enterprise develops the means to finance them.

[TRYBUNA LUDU] And what guarantee is there that it will really be so, that we will not witness disputes and competition among branches and plants? After all, everyone wants as much as possible for himself ...

[W. Martyniuk] Guarantee? The law is the guarantee. But just as important is the way contracts are made.

[W. Kmita] According to our concept, that first part of collective labor contracts will be concluded by a minister and a specific confederation or national union. On this basis, plant agreements will be signed by the enterprise directorates and union organizations.

Thus, in this way we will fulfill all the requirements of reform: plant autonomy and self-dependence. Also, if plant agreements will be more beneficial than the branch contract, then we will initiate strong motivating incentives and enable all developed resources to be shifted toward improving benefits ...

[TRYBUNA LUDU] One moment, please. Wages, after all, are not the only issue of concern at workplaces. What about modernization, repairs, technological progress and ...?

[W. Kmita] That is true. But now we are discussing issues that are subject of a contract. However, it should be emphasized that plant agreements, which are nothing more than social agreements concluded at workplaces, can be expanded, for example, to include programs to improve occupational health and safety, health care or anything else peculiar to the specifics of a given enterprise, providing they are linked with increasing production or efficiency.

Thus, we do not go into details or create model agreements that can be implemented in practice. We are concerned about general decisions, about a law

[Z. Kraczyński] I think the battle over collective labor contracts should be preceded by a form of social agreement between OPZZ and the government. Such issues as the role of a social minimum and the role of a minimum wage and its dynamics, the question of inflation and wage systems in and beyond the sphere of production should be considered within the framework of such a social agreement. I believe that combating inflation should be the most important concern.

I believe that this agreement should include certain principles of procedure that will permit truly serious problems to be resolved. Now, both sides seem to be in no hurry.

Also, under current reality, collective labor contracts cannot play either an important role or a basic role. It is a form used by unions for almost 100 years. Thus I am not at all surprised by the replies of the union representatives. If I were in their place, I would put forward similar arguments. After all, collective labor contracts are not so much as a union constitution as they are an important form for realizing union functions in the realm of protecting worker rights.

Today pressure for privileges, benefits and payments in kind are nothing more than elements guaranteeing real wages. Thus, the union position should be understood, a position that after all is not taken to advance its own interests or the interests of the trade union apparatus but the interests of the workers.

[W. Martyniuk] For me the ongoing discussion about collective labor contracts is not a discussion about the regulations of a single law but about the entire future of the union movement. Will the union movement be incapacitated, or will it, in accordance with Lenin's concept of trade unions, be able to fulfill its just role in a socialist state. This is why we insist that we have the most important voice here.

The trade unions developed their own independent draft of this law. The draft is an agreement from 'a' to 'z' with the principles for an efficient economy. The situation has become quite unusual; the government draft is now in the Sejm. However, we are counting on the union draft to also be present in the Sejm. It is true that the union movement does not have legislative initiative, but we can ask the deputies to review also our concept.

[W. Radzikowski] Let us remember how this situation came about. In starting joint talks at the beginning of this year, we assumed a joint draft would be generated.

Unfortunately, after many months of negotiations it turned out that the assumed operating procedure and the continual revision of bequests contributed to the imprecision ...

Thus the union concept arose, which emphasized above all that contracts should be obligatory and that the law on plant compensation systems cannot function on its own. Thus, collective labor contracts and not the plant compensation law would be the bases for concluding plant agreements regarding wages.

There are no realistic arguments to convince one that collective labor contracts undermine the principle of self-financing. It is ironic that we trade unionists are attacked in the press by representatives of the government or various sociopolitical organizations as being against the reform, and we are accused of driving nails into the coffin of reform.

[S. Babel] It is to be regretted that the bilateral talks between representatives of OPZZ and the government on the draft did not end with the development of a joint position.

But regardless of how it could have been written, the determinations contained in the draft were subject to social consultation. The minister of labor announced this even when the government-union commission began its work. Thus, the reservations voiced here surprise me. This is more than a government and union matter, because it concerns legal regulations that are important to all of society.

[W. Radzikowski] However, we must face the accomplished fact that the government draft is now in the Sejm. We cannot agree to it because, in our opinion, it undermines the principle of obligatoriness, introducing a clause that permits the 'hulling out' of professions from specific branches. In general, it undermines the idea of the branch-nature of contracts! And to make matters worse, even the basic issue of compensation is excluded ...

It is a draft that is quite incompatible with the draft we agreed to at the special meeting of the OPZZ Executive Committee in Gdansk that was attended by Minister Stanislaw Gebal. How did this new version come about, which we were able to review thanks only to the kindness of the Marshall of the Sejm?

[W. Martyniuk] Let us look at the most important differences between the union proposals and the provisions of the government draft.

For example, the bequest is formulated that the Council of Ministers designates the professions that have the right to conclude collective labor contracts after obtaining the opinion of the OPZZ. Thus we ask: Does not the union movement have the right to coordinate anything with representatives of the administration? Can we only provide opinions? This diminishes the rights of unions and violates the branch-nature of contracts, which we unionists perceive as our constitution.

We also cannot agree that the government, in realizing the central policy on wages and benefits established by the National Socioeconomic Plan, establish the principles for determining compensation, benefits and work-related rights in collective contracts. After all, it is designated in other places that collective labor contracts must be legal and compatible with the assumptions of the National Socioeconomic Plan. In addition, the minister who endorses the contract creates other protections.

Thus we perceive such an unjustified expansion of Council of Minister rights as an impingement of the administration in the area of contracts and an interference in the independent will of parties concluding contracts.

[W. Kmitya] No one can convince me that a good wage policy can be established centrally for a baker, steel worker, forest worker or tailor. And what does 'central' mean? Is it where resources accumulate? Or is it the desire to limit the rights and capabilities of contracting parties?

[W. Martyniuk] Another difference probably results from a misunderstanding and concerns the commencement of collective disputes, initiating the entire procedure outlined in chapter 5 of the trade union law.

We absolutely do not desire to go to that extreme. Thus, we propose that a parity committee be formed when the need arises. In exchange we receive a proposal limiting our own rights and the possibility of evaluating a situation independently.

We attribute similar intentions to the other proposals that make it impossible to apply the rates of compensations and benefits designated in collective labor contracts as guaranteed. Therefore, in practice this excludes the union's protective function. We also believe that executive regulations for collective labor contracts should be instituted in coordination and in agreement with the OPZZ and not after obtaining its opinion.

The statement that the Council of Ministers will be able to exclude from collective labor contracts workplaces that have the right to apply plant compensation systems (after obtaining opinions) is unacceptable.

There is no time here for a union evaluation of the law of 26 January 1984, for presenting the serious reservations voiced regarding this law, but we ascertain that this bequest limits the parties concluding a contract and leads to dualism in plants encompassed in a single branch.

The cardinal difference concerns plant agreements. It should be remembered that they are supposed to substantiate and expand everything included in a branch contract within the limitations of an enterprise's designated finances, technology and demographic structure.

In other words, this agreement encompasses everything that is associated with plant day-to-day operations, one of whose elements is the wage system. Therefore, it is logical for collective labor contracts to be the source of legality in this area. Can we permit unions to be excluded from the possibility of shaping such a general question as wages?

We also have reservations about the proposal specifying that the worker self-government organ must approve the introduction of plant agreements. In addition, there is the issue of equivalents, payments in kind and frozen benefits, which to this day cannot be paid out even though funds are available for them in some plants. The final perturbing question is the implementation of the law.

[S. Babel] Concerning these differences, it seems that in many cases they are based on misunderstandings. I believe our discussion should focus on the substantive issues, including the principle of enterprise self-dependence and self-financing, and an enterprise's own wage policies regulated by plant compensation systems.

The government draft emphasizes that these requirements must be observed, and that collective labor contracts cannot violate obligatory principles of self-financing by way of offers in in a given branch. The amount of wages depends on a plant's work output and cannot be guaranteed by the branch minister because he simply does not control the wage funds.

It also is clear that all wage changes must be linked not only with the effectiveness of the enterprises but also with the National Socioeconomic Plan and its designated wage policy. Concerning the complaints voiced here, it should be remembered that in the draft law the government intends to limit considerably its jurisdiction based on the present Labor Code.

According to the OPZZ, a collective contract should guarantee a minimum wage in a branch. If so, it would annihilate a principle that we want to observe very much, that is, that a plant can allocate only those funds for wages that it has developed for this purpose.

But the union draft also states, though enigmatically, that a collective contract specifies the amount of compensation in accordance with self-financing. The assumption is unrealistic that, in a given branch, where of course the situation is highly differentiated, a contract will consider the lowest wage rate ceiling or the wage rate of the worst enterprise. Thus, the government draft treats the question of self-financing more precisely.

[W. Kmitya] But each workplace can construct its internal agreement in accordance with its resources and needs. The proposed 'minimum' is of interest only to the worst plant. All others receive a blank sheet to fill out. And how they fill it out is the joint concern of the plant managers and workforce.

Contracts are supposed to perform only a single role: guarantee a minimum level of wages and benefits. The worker must feel he is protected. But this same contract gives plants the right to regulate work issues as they are able to and want to work out.

[Z. Kraczyński] It is true that plant agreements and self-financing of funds for compensation are the most important differences presented.

The basic question is : Where will the money come from? It is understandable why the trade unionists insist that collective labor contracts provisions be obligatory, but what should this bequest look like if it is not to conflict with the idea of plant self-financing?

The words we hear here are nice, but reality is harsh. Wage rates and their range will vary widely. I must warn you: rates based on a minimum level will not please the workers, will not be attractive to them. To be attractive, they must be based on financial results. That is inevitable.

[S. Babel] The trade unionists propose that plant agreements encompass the entire spectrum of work relations in an enterprise without limits. In reality that would mean each plant would create its own labor code based on collective labor contracts. It could happen that a plant itself would fund all free Saturdays and extend vacations without considering the needs of the economy as a whole and its resulting central regulations. The results are easy to imagine.

[Z. Kraczyński] Two areas are most disturbing: the creation of solid pressure groups in branches, which, thanks to the contract, open the way for plants to

increase wages and benefits. But the economic reform cannot defend itself very well against such pressures.

[W. Martyniuk] Why should the trade unions bear the consequences for the mistakes and weaknesses of the reform?

[Z. Kraczynski] I am not blaming anyone. I am merely giving warning about the consequences. I also criticize the situation in which the government can succumb to branch pressures. I believe a bequest should be included in the law making it clear that plant agreements are not linked to financial results. Nonetheless, the minimum could be very high.

[W. Knita] But are we not unduly cautious? After all, union activists travel about the country and are aware of economic realities.

[W. Martyniuk] We are against any kind of tender; we are very careful. All funds must be elaborated, but the level at which wages and benefits are set remains to be determined, on the one side, by the workplace and, on the other side, by the federation and minister.

[Z. Kraczynski] Those are nice declarations, but in practice it is known how pressure groups arise. No minister will represent the interests of society as a whole. Every minister will represent the interest of his own branch. It will be likewise with the federations and union organizations.

It is only natural for them to strive to assure the most advantageous wages and working conditions for 'their' workers. None of the parties will bear responsibility for the results of their decisions because the entire contest shifts to the enterprise.

Let us be honest. The mechanisms now in operation that should deter unjustified wage increases in plants are weak. They present no barrier against the pressure of strong branch groupings.

Even if greater stringency is applied, all attention will be focused on secondary issues, on payments in kind, equivalents and benefits which also reflect unfavorably on the motivational function of wages.

[W. Radzikowski] The concern here is not about tenders but the equal rights of the union position relative to the administration position, and about the credibility of the partnership.

[Z. Kraczynski] You talk about a partnership between trade unions and the administration. A true partnership can arise in workplaces only among those who organize work so that it will produce the best results, and those who see to it that the workers carry out their obligations in earnest. Such a partnership model could lead to ways to improve the economy, to lower costs and to increased productivity.

The negotiations can start on what portions of the funds should be allocated to wages and what portion to expand the firm. Today efforts are being focused

not so much on economical management as on jointly seeking ways to obtain maximum subsidies to increase wages.

[S. Babel] I also am surprised by the protest of the trade unionists in expressing opposition to worker councils approving plant agreements. A worker council is a legal organ of an enterprise responsible for an enterprise's economic results, planning and allocation of funds for wages and expansion. Its voice cannot be eliminated. It is not a question here about prestige and jurisdictional disputes, but about binding worker interests to the interests of a workplace as a whole.

Sharp words were spoken here on the subject of freezing of benefits in kind. These issues have been discussed many times in the Sejm and PZPR Central Committee plenums, and repeated in the draft of the National Socioeconomic Plan. Expanding these benefits are not anticipated because it would conflict with the motivating function of wages. In addition, not everyone receives payments in kind, which also antagonizes society.

How to include valuation of work within the system of collective labor contracts is still an open question. Of course, the concern here is about proportioning wages among branches and among specific branches and enterprises. Unjustified wage differentials upset people. Precise and socially accepted standards for evaluating work could gradually improve the situation. However, the trade unionists do not mention this.

I also would like to emphasize that the principle that wages should depend on the quality and quantity of work cannot be violated by implementing collective labor contracts. Then again, social expectations are such that wage increases brought about by collective contracts are expected. Such hope should not be encouraged.

[Z. Kraczyński] Our discussion is coming to an end. Thus, I would like to express my own opinion on the subject of wage systems. I favor wage systems that are varied and numerous in form, but branch collective contracts limit these systems. They are the most advantageous for trade unions because they rationalize their existence, demonstrate the sense and advantages of union activity. But, I repeat, they are realized only when funds for wages will be generated as a result of savings and efficiencies and not from printing money. The hope that a bequest in a law guarantees that it will be implemented in practice in accordance with the letter of the law is an illusion.

[TRYBUNA LUDU] We now are aware of different viewpoints. The deputies on the Sejm committees will certainly consider these viewpoints before the final draft of the law on Collective Labor Contracts is presented to our parliament's plenary sessions.

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'MORAL RENEWAL' EFFORTS LACK CONVICTION

Warsaw ZYCIE WARSZAWY in Polish 31 May-1 Jun 86 p 8

[Article: "Verses and Codes On Virtue?"]

[Text] Here are some excerpts of Mikolaj Kozakiewicz's comments (from the discussion in ODRODZENIA.

"In my opinion, the fervor to renew and reform the main structures of our Polish system is weakening. Conservative trends are gaining strength, and this means that the social roots of moral evil are reviving and growing stronger (instead of being eliminated or at least attenuated). The 'reformers' are on the defensive; the 'conservatives' are on the offensive. The slowdown in implementing reforms is the most obvious example. In this political climate, I find it difficult to become enthused about the 'moral renewal' campaign that was initiated primarily to seek more effective ways to influence people's moral awareness."

"It is said that perhaps more suitable radio and TV programs are needed. Or perhaps there is a lack of suitable literature and films. Or perhaps suitable individual examples are lacking. Or perhaps more art and culture would remedy moral evil. Some want to draft a code of virtues for the contemporary Pole and perceive this as a decisive tool for moral rebirth. Other perceive a return to tradition (such as teaching little children the old verse: 'Who are you? A young Pole') as a way to instill patriotism in young people. Many believe that the main source of evil lies in the family which 'should' ... or the school which 'should"

No moral renewal of society will be accomplished without a basic renewal of the economic, social, political as well as moral system in which we are born and raised, live and operate. Only then can verses and codes on virtues, personal examples, art and culture be effective. Then we might expect the schools and the family to do what they 'should.' This sounds brutal but, unfortunately, it is true. Otherwise we deceive ourselves and hide the truth behind the proverbial smoke-screen."

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MILITANT PARTY ROLE IN EDUCATION NECESSARY

Warsaw TRYBUNA LUDU in Polish 2 Jun 86 p 2

[Article: "Party Aggresiveness Needed In Science and Education"]

[Text] Education and science groups from six regions--Gorzow Wielkopolski, Jelenia Gora, Legnica, Ileszno, Poznan and Zielona Gora--deliberated at an ideological-theoretical conference of party aktiv last Friday and Saturday, 30 and 31 May, in Drzonkow, near Zielona Gora.

Zbigniew Nieminski, first secretary of the Zielona Gora PZPR Voivodship Committee, chaired the plenary session. Bogumil Kedzia, director of the Central Committee Science and Education Department, participated in the conference. The pre-congress discussion on chapter six of the draft of the PZPR program for the Tenth Congress was reviewed. It was emphasized that this discussion involved the professional community concerned with science and education as well as institutions of the overall educational system. The vast majority of party organizations and echelons of these regions, as well as various citizen groups participated actively and critically in the pre-congress discussions. Party aggresiveness and the ideological influence of our party are necessary regarding education, which is a large system for institutional forms of education and social forms for training as well as for higher education and science.

Over 30 people participated in the deliberations.

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CAPITALIST-SOCIALIST 'CONFRONTATION' SEMINAR

Warsaw TRYBUNA LUDU in Polish 4 Jun 86 p 2

[Article: "Ideological Confrontation; Symposium in Warsaw"]

[Text] A symposium entitled "The Basis of Confrontation Between the Two Systems in Light of the Resolutions of the 27th Congress of the Communist Party of the Soviet Union and Discussions Before the Tenth PZPR Congress" was held in Warsaw on 3 June. The purpose of the symposium, which was opened by Prof Jarem Maciszewski, rector of the Academy of Social Sciences, was to discuss thoroughly the problems of ideological confrontation between capitalism and socialism during the current phase of developing international relations.

Prof Ryszard Frelek presented a paper on the ideological, political and socioeconomic premisses for rivalry among the two world systems. He focused on the confrontational goals of the United States' current actions, and the peaceful directions of the policy of the Soviet Union and the other socialist states, pointing toward the possibility of returning to factual cooperation. Several dozen individuals participated in the discussion, which analyzed current political, economic and social phenomena affecting the ideological rivalry while continuing peaceful coexistence.

The symposium was organized by the PZPR Central Committee Information Department and the PZPR Academy of Social Sciences Center for Policy and Propaganda Studies. Jerzy Iazarz, department director, and Janusz Kolczynski, center director, participated in the symposium.

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VOJISLAV SESELJ DESCRIBES PRISON EXPERIENCES

Ljubljana MLADINA in Slovene 16 May 86 pp 8-11

[Interview with Vojislav Seselj by Gorazd Suhadolnik: "You May Believe Me or Not"]

[Text] On 15 March 1986 Dr Vojislav Seselj finished serving a 22-month sentence at the Zenica Penal Reform Institute, and returned to civilian life. It is probably not necessary to take great pains to explain who is Vojislav Seselj. Like a legend from early summer, from the celebrated year 1984, he still lives in the collective consciousness. It is not important that on Good Friday he was among the 28 participants in a free university that were arrested. Further on in the interview, you will learn that he frequently visited Belgrade. He made his first significant appearance in public life approximately 5 years ago. As an instructor international relations at the Sarajevo University political science faculty, he had initiated the procedure for taking away the degree of an assistant in the same area, one Brana Miljus. A commission was appointed, and it finally ascertained that Seselj's claim (that Miljus's dissertation was plagiarized) was true and it was voted, with the barest majority, that Miljus's dissertation be taken away. What made the embarrassment even worse was the fact that at that time Miljus held the professional political position of secretary of the local League of Communists committee. Before that, he held the post of president of the Alliance of Socialist Youth of Bosnia and Hercegovina and was a member of the Central Committee of the League of Communists. Shortly afterwards, Seselj was removed from the League of Communists. Seselj's next mistake was publicly to attack, because of Qadhafi's "Green Book," council member Atif Putivaro, a well-known Bosnian intellectual and communist. Thirdly, Seselj got involved in the polemic regarding pan-Islamic tendencies in the Bosnian republic. He accused, by name, some influential political figures in Bosnia and Hercegovina of institutionally supporting Moslem nationalist aspirations. A polemic full of reciprocal accusations, which in 1982 was carried from issue to issue of the Zagreb DANAS (as well as by some Serbian journals) ended in a triumph of Seselj's opponents in Sarajevo journals OSLOBODJENJE and SVIJET. At the end of the following year, Seselj was one of the initiators of a petition against the judicial punishment of "young Moslem fundamentalists." He felt that they were victims who had made it legitimate for the true exponents of Moslem nationalism to struggle against pan-Islamic aspirations (1) Even before that, Seselj had been forced to transfer from a university chair to the institute

for Social Questions in Sarajevo. Seselj earned one more black mark against himself with his speech at the Portoroz sociologists' meeting in 1983.

He was first arrested on 8 February while traveling from Sarajevo to Belgrade. He was detained for 27 hours and finally released after the questioning was finished. At the end of February, he was again arrested in Sarajevo. This time, he was released after 4 hours. He was arrested for the third time in Belgrade, at the already mentioned lecture by Milovan Djilas. Members of the State Security Service arrested Seselj one more time, on 11 May 1984. They searched his apartment, his office at the university, and his mother's apartment. After 6 hours, they released him once again, with the order to report to the police station every 8 hours. He did this until 15 May, on which day he had to go to prison again, from which he emerged 22 months later. Even before the sentence was passed on 9 July at the Sarajevo District Court, he began a hunger strike.

[Seselj] I began the hunger strike on 21 May, when they brought me before the investigating magistrate. I was having doubts whether it would be possible for me publicly to present my position before the trial. I therefore decided on a hunger strike to point out the Stalinist nature of the (judicial) process and methods used by the police and political authorities in order to carry out the trial. Since I was able to unmask the process in the courtroom, even though I was not permitted to say everything that I had prepared in my own defense in response to the charges, there was no more reason for the hunger strike. This decision was not at all influenced by a fear of the severity of the punishment that was threatening me, nor by what was awaiting me in prison.

[Question] How long did your (first) hunger strike last

[Answer] Forty-eight days.

[Question] Could they have ended your strike by force?

[Answer] On the eighth day they began to give me infusions. This lasted approximately 20 days, and since my body was unable to survive with infusions, they began to (force) feed me with a catheter. They pushed a rubber tube through my nose and they pushed a funnel in my mouth. At first I resisted this. When I realized that this was in vain, because six guards had me completely under control, I stopped resisting. They placed handcuffs on my hands and fed me like a baby. This lasted 48 days.

[Question] How did the infusion feeding go?

[Answer] Each day, they injected me intravenously with four vials of various concentrates: The first contained amino acids, the second carbohydrates, the third vitamins, and the fourth ... I am not sure what it contained. Approximately 20 days passed like that, I cannot remember exactly how many.

[Question] It is difficult to imagine being fed with a catheter, through the nose ...

[Answer] This method was later used in the Zenica prison, where I was on strike for the second time, for 16 days. They pushed a rubber tube through my nose all the way to my stomach. Then they used a pump to push liquid food into my organism. In addition to being very painful, this method is above all unpleasant. You always feel like vomiting, and you are suffocating ...

[Question] In such circumstances, you were probably unable to work which, as we all know, is every inmate's duty?

[Answer] I categorically refused to work in prison. I demanded that, since they had imprisoned me, they make it possible for me to engage in the same kind of work I did outside of prison; to sit down, and to read and study.

Witnesses

Let us go back to the trial at the District Court in Sarajevo. For the most part, the charges were based on the confiscated manuscript copy of Seselj's text entitled "What to Do," which was condemned by some important political officials before Seselj went to prison (even before criminal proceedings were instituted). The first official who attacked Seselj's ideas in a televised speech on Security Day was Interior Minister Stane Dolanc. He also accused Seselj of planning to publish the manuscript. The charges also contained five statements by witnesses, of which two were later declared invalid by the Supreme Court of Yugoslavia. It is true that Seselj is not denying the statements ascribed to him by witnesses at the trial. What he does deny, however, is ever having uttered those statements before those very witnesses. Regarding the witness with whom he supposedly talked on the train from Sarajevo to Belgrade, Seselj claims that he met her for the first time during the trial. Regarding a second witness, a journalist from the Sarajevo AL, Seselj claims that he is "a police agent provocateur, who had followed me around several times." For that reason, Seselj at one time arranged a "counterprovocation" for the man in Belgrade. As far as a third witness is concerned a retired colonel who worked in the same place where Seselj lectured until he was arrested, he and Seselj had quarrelled for years. According to Seselj, the courtroom was full of persons who were on probation, policemen, prison personnel, and journalists; they were there to "play the part of the people" in a prearranged trial. During the first few days of the trial, the presiding judge allowed Seselj to dictate his responses to the charges directly into the court record. Later, he began to interrupt Seselj, and would not permit him to say everything. On 9 July 1984 the District Court sentenced Seselj to 8 years in prison, virtually for grant treason. On 20 November 1984 the Supreme Court of Bosnia and Hercegovina simply sentenced him for hostile propaganda (instead of counterrevolutionary activity), and reduced his sentence by half. On 2 July 1985 the Federal Court of Yugoslavia finally sentenced Seselj to 22 months in prison. All three sentences repeat the claim that Seselj had sent the manuscript of "What to Do" to the editor of KOMUNIST to have it published, even though such a plan or intention was not proven by any of the court investigations or proceedings.

Six-and-a-half Months in Solitary Confinement

[Seselj] They treated me very correctly in the Sarajevo pretrial prison. The Zenica prison, on the other hand, is in my opinion a true "hard labor prison" and my position became much more difficult there. From the very first day, the director and the rest of the prison personnel demonstrated their resolve to reeducate me. They tried everything to get me to renounce my ideas and writings, and my political and ideological position. Some days they demanded that I write an "autobiography" in which I would explain the motives that had led me to engage in "criminal activity." I was to explain my political, ideological, and religious convictions, the views of the members of my family, the social conditions in my family, etc. I rejected this and instead wrote down basic general information: date and place of birth, formal education, and vocation. For this, they put me in solitary confinement for 15 days. They were very strict in this: They did not allow me to take with me even basic personal hygiene necessities, such as soap, a toothbrush, or a change of underwear. They gave me bed linens that had been used for 3 months and were so dirty they were black. I was unable to bathe for 25 days. For that reason, I once again went on a hunger strike for 16 days.

[Question] Were you punished with solitary confinement later on?

[Answer] Yes. They locked me up in solitary confinement, then in general quarters, then in solitary confinement again. Later, however, they were more correct with me and allowed me to use my own toilet articles, and they made it possible for me to bathe at least somewhat regularly. Living conditions in solitary confinement, however, were still terrible. For 16 hours each day, I was forced to walk three steps forward and three steps back. Under no circumstances was I able or permitted to read, and this was the worst thing. My health deteriorated immediately and I can still feel the consequences. All in all, I spent 6 and 1/2 months in solitary confinement! Initially, I was in there three times, each time for 15 days. Later, they followed the system of a month of solitary confinement, the 3 days of general quarters, then a month of solitary confinement, then 3 days of general quarters ..."

[Question] You mentioned that your health had deteriorated in prison. How is your psychological state?

[Answer] During pretrial detention, I was comparatively psychologically stable, in spite of the hunger strikes. I was able to read and thus to take care of certain basic problems. The conditions in the solitary confinement in Zenica have seriously damaged my health. The initial results of the medical exam after the 22-month sentence show that I have contracted tuberculosis. Both of my kidneys are damaged. One does not function at all, and the other is diseased. The medical exams are not yet finished. In solitary confinement, in addition to strong chest pains, I also experienced auditory hallucinations. I slept very poorly since I was bothered by the light that was left on at night; still, that light somehow decreased the tension.

[Question] How did they decide to send you to solitary confinement?

[Answer] They called me in to talk to me and asked me whether I had changed my mind regarding working in the prison plant. Since I always replied that I continued to reject work, they put me in solitary confinement.

[unknown number of pages missing]

the wrong way, in order to flee repression. One must not withdraw before repression, one must confront it!

[Question] How did general quarters work?

[Answer] They did not want to let me among the other prisoners before they had broken me. They waited for me to give in to their reeducational methods, and start turning around. Once again, they acted against the law. That is, the law provides for solitary confinement as a lesser punishment for up to a month, and is then to be followed by "isolation." It is similar to solitary confinement, only it is given for longer periods of time, and the prisoner is able to read, smoke if he is a smoker, etc. I was repeatedly given a lesser punishment, and so, in the end, I was punished incomparably more cruelly. According to the letter and the spirit of the law, such actions are impermissible; still, the law can always be interpreted in accordance with the needs and intentions of the punishers and against the prisoner's vital interests. Thus the law stipulates that it is the director's responsibility to get a physician's opinion before sending a convict to solitary confinement. I was not taken to the doctor once. The last time I was sent there, I spent only one night in general quarters, and the following morning I was in solitary confinement once again. Since at that time I had severe health problems of a psychological nature, I demanded that they take me to see a doctor. They in fact took me there, and the doctor excused me from solitary confinement. I returned to general quarters. Two hours later, they locked me in solitary confinement once again.

Vojislav Seselj got out of solitary confinement only 3 months before his sentence ended. It is probable that the petitions and public protests signed by quite a few Yugoslav intellectuals helped a great deal to change his situation. The foreign press has also written a fair amount about the impossible conditions of being an inmate in the Zenica prison. Finally, they assigned Seselj to the prison library, where he was able to read. Before that, he once again found himself in a critical situation. In January 1985, his sister visited him in prison. She had made it public (to the extent that this was possible) through an attorney that Seselj had once again started a hunger strike.

[Question] They surely did not beat you during those 22 months?

[Answer] They beat me only once. I immediately demanded medical intervention, which they denied me saying that the injuries were not life-threatening. The following day, the head of the prison guards, Dzemo Kadric, and the head of prison perimeter, Pero Kojic, called me in for talks. They told me that the guard had been authorized to beat me and that he would beat me again. When my family visited me in prison, I told them that I had been beaten. I tried to tell the same thing to my attorney, Zderavko Radovic. As soon as I began talking about the beating, the guard who was overseeing the conversation removed me from the room in a rough manner, and the attorney as well. Since that incident had provoked public indignation, the director of the prison told me that the guard had chased us out without the authorization

of his superiors and was therefore disciplined for it. I found that assertion ridiculous.

Three Steps Forward -- Three Steps Backward

[Question] How large is the solitary confinement room?

[Answer] It is 3 or 4 meters long, and 2 or 2.5 meters wide. It is simple: You can make three steps forward and three steps back. (Editor's note: Dr Seselj is over 1 meter and 90 centimeters tall.)

[Question] How is it furnished?

[Answer] There is a bed, which must be raised to the wall at 0600 hours and lowered at 2200 hours. You may not lie down during the day.

[Question] Is it possible to sit down somewhere?

[Answer] You can sit on a wooden chair without a back, which is fastened to the floor.

[Question] How do you take care of personal hygiene and bodily functions?

[Answer] The room contains a washbasin and a toilet; once a week, you visit the baths. During those 6 months, I had to wash my own underwear in cold water using ordinary soap. Personal hygiene conditions were certainly not enviable.

[Question] What was the temperature like?

[Answer] There was central heating and there were no special problems in that regard.

Political Prisoners in the Zenica Criminal Rehabilitation Institute

[Question] How did they treat you after you got among the "common" inmates?

[Answer] Among prison personnel, you can find very correct people, who discharge their duties honestly and the inmates have no unwarranted problems with them. Some of the guards behave very brutally and savagely, they can beat you for no reason, they provoke the inmates, etc. I think that the political prisoners are in an especially difficult position in the Zenica prison.

[Question] Since the Yugoslav penal code does not recognize the status of political prisoner, the political prisoners are probably not isolated?

[Answer] They are not, and this presents special problems, since there is nothing to protect them from persecution by real criminals. The prison authorities even encourage the criminals to harass the political prisoners. They use the criminals to provoke them. During the past 3 years there were

three trials of political prisoners in the Zenica prison -- new trials because of hearsay accusations. The witnesses were criminals.

Seselj listed the names of political prisoners in the Zenica Penal Rehabilitation Institute, and talked about their tragic stories; about an attorney who was, while serving term in the Zenica prison, sentenced anew because of what some criminals had said; about two political prisoners, who received fresh sentences while still in prison, because some criminal had said that they tried to bribe him with cigarettes to carve swastikas on the walls; about a peasant from Bosnia who, because of some protest letters (which he had sent to the appropriate authorities in order to prevent having his land confiscated) ended in the Zenica prison for 6 years; about the Slavic studies professor from a university in Vienna (a Yugoslav by descent), who got 6 years in prison because of some alleged political statements made during private conversations. In the Zenica prison, Seselj met some of the supposed Islamic fundamentalists who had been sentenced. One of them got out of prison around the first of the year, while another was moved to Foca, where he became ill with tuberculosis. Seselj told a short story about the third one:

During the Ramadan holiday, the Moslems do not eat at all during the day. Only after sundown do they allow themselves some food. When the guard noticed a piece of bread in the inmate's pocket (he had taken it out of the mess hall), he immediately struck him with his rubber truncheon. He was assigned to the most difficult job, in the grinding shop, where few people remain healthy because it lacks even the most elementary means of protection.

Work in the Prison Plant

[Seselj] The basic jobs are in the foundry and the grinding shop. In the foundry they cast certain steel products, mostly used in power lines. They polish them in the grinding shop. There are a few other shops, such as "contacts, where they make electrical connections, the metal working shop where they make metal products, etc. As a rule, the political prisoners are assigned to the hardest jobs. Criminals are given the easiest and supervisory jobs, and they directly supervise "the politicals." If they fail to obey, or if some criminal does not like a "political," the political prisoner becomes the victim of torment by the prison personnel, and everything becomes very unpleasant for him.

[Question] If the political prisoners refuse to perform the mandatory tasks, do they meet with your fate?

[Answer] Except for one case (in addition to mine) where the prisoner refused to work and was for that reason beaten in jail, I do not know of any prisoner who has consistently resisted this prisoner's duty.

Let me go on about the relations between the political prisoners and the criminals. The political prisoner is never allowed to go to town, let alone on vacation or to visit his family. Serious criminals are allowed all this. In obtaining these privileges, they are mainly judged by the extent of their participation in persecuting and provoking the political prisoners. Those criminals who provoke the "politicals," the stool pigeons and the like fare

the best. If one of the criminals tries to get close to the political prisoners on his own, he is immediately questioned, threatened, and such associations are forbidden to him.

[Question] What is a working day in the prison plant like?

[Answer] Work is done in three 8-hour shifts. If you are on the morning shift, you work from 0700 hours to 1500 hours. Then you have lunch, and walk until 1600 hours. At that time, you go to the "collectives." They are large rooms that can hold 120 people each. Last year, they partitioned them into three areas each capable of holding 40 people. Now, 40 people gather in an area of 54 square meters.

[Question] Are the inmates paid for their labor?

[Answer] The pay for convict labor is ridiculously low. When I was there, the basic wage was approximately 2000 dinars. In his work, the prisoner is paid for piece work, so that the highest wages rang between 10,000 and 15,000 dinars. Very few prisoners earn that much. They usually receive between 3,000 and 4,000 dinars. People who do not have enough experience with this type of work--and political prisoners as a rule do not--need a lot of time to become used to the work. They cannot compete with people who have done manual labor before.

[Question] Sanitary conditions?

[Answer] They are poor, primarily because the prisoners are all mixed together. You cannot get a typical criminal to become used to elementary hygiene needs and responsibilities. Their sloppiness makes life hard for others. If in such a space half the people never wash their feet or take a bath, this is enough to threaten your existence. I had a lot of trouble with mice. They came into my room and into my suitcase and they chewed on my food. Mostly in just, I wrote home a few words about this and I was called in for talks. The letter had been confiscated, and I was issued a warning for describing conditions in the prison in such a malicious way. I was bitten by bedbugs several times.

[Question] What happens if a prisoner complains over some irregularity?

[Answer] The prison authorities ridicule him. If he complains to the Secretariat for Justice, the complaint is frequently not even sent out. In any event, it would not make any difference, because the secretariat habitually trusts the director and rejects the complaints as unfounded.

[Question] Did you, in spite of everything, submit a complaint over the actions of the prison personnel?

[Answer] I did not want to make any random accusations, but I am convinced that the physical punishment was authorized by Zenica director Fadil Lipincevic. Nothing at all happens in that prison that is not under the director's control.

One could mention the distasteful case of a guard from the Zenica Penal Rehabilitation Institute, who recently killed nine people. A few months ago, the director received an official notice requiring that he ascertain which prison personnel carry weapons. In spite of it, he did nothing. There were several similar cases among the guards. Only after the multiple murders were some of them forbidden to carry weapons.

[Question] did the guard exhibit any symptoms that could have indicated his condition?

[Answer] To be truthful, no; He was not one of the infamous ones. I think that in the Zenica prison there are a number of dangerous guards, whose positions are still not in any jeopardy. Some real psychopaths work there.

[Question] One could probably find some psychopaths also among the prisoners?

[Answer] I think that one-third of the inmates do not belong in a prison, but rather in a hospital. There is a major problem with homosexuals, and the younger prisoners have great difficulties. Last year two brothers came in. They were sentenced to a year and a half for illegally cutting down trees. They were 21 and 22 years old, respectively. One of them was raped by a large group of criminals. When he was called before the director he was not permitted to (or did not dare) say that they had raped him, and instead said that he had submitted voluntarily. They punished him with solitary confinement and then isolation. His brother hanged himself because of the shame.

Free Again

[Question] You mentioned the effects that the 22-month long sentence had on your health. Did anything else change in your civilian life?

[Answer] Since I was sentenced to more than 6 months in prison, I legally lost my job. When I was released, I reported to the employment institute. I will try to find a job that will require my professional training. I also requested that my travel documents be returned to me. In my future intellectual endeavors, I intend to make scholarly visits abroad, I want to take part in scholarly meetings, etc. A few days ago I authorized the law firm of Miodrag Popovic to file two social suits: one over the physical harassment and mistreatment in the Zenica prison, and the other (in fact against Bosnia and Hercegovina) against the State Security Service because it has not returned to me all the materials it had confiscated. After the sentence, the manuscript "What to Do" was confiscated. The Supreme Court of Bosnia and Hercegovina decided that everything else was to be returned to me. Most of my manuscripts, however, including the 500-page long manuscript of my book "the Pursuit," were not returned to me.

[Question] It will probably be very difficult for you to live in Sarajevo, after all you have experienced and talked about!

[Answer] I know that it will be difficult, but I have nonetheless decided to remain in Sarajevo. I think that it would be.

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ROUNDTABLE ON 1986 SLOVENE PUBLIC OPINION SURVEY

Ljubljana DELO in Slovene 14 Jun 86 pp 20, 21

[Interview with Zdenko Roter, Bostjan Markinc, Peter Klinar, Niko Tos, and Zdravko Mlinar: "We Slovenes Are Critical and Patriotic"; date and place not given]

[Text] Slovenes are very critical regarding the functioning of our political system and surprisingly inclined toward various so-called alternate movements. They are demanding more accountability, point their finger at those who have led us into the crisis, and feel that these people should no longer hold public office. In spite of being very critical of the political and economic situation, they are great patriots who are willing to sacrifice their lives for their homeland.

The 1986 Slovene public opinion survey reveals many things that those who are making decisions on behalf of the Slovenes should take into account. Journalists from DELO discussed the findings from the Slovene public opinion survey, and their implications, with survey takers Dr Zdenko Roter, Dr Bostjan Markic, Dr Peter Klinar, Dr Niko Tos, and Dr Zdravko Mlinar. The text was typed by Jozica Brzic, from shorthand notes by Danica Velkavrh.

[DELO] What is the overall characteristic of the Slovene public opinion survey?

[Tos] If we consider the survey as a whole, and compare it with those from previous years, especially that from 1984, we will see a more critical approach by the people toward evaluating our situation. This is especially true of those parts of the survey dealing with political relations and institutions, and the functioning of the political system. There is also criticism of the current changes in the standard of living. A negative outlook on the standard of living is very prevalent, and there is also pronounced pessimism regarding future expectations.

One of the Absurdities: The Maximum Amount of Land Permitted

Certain indicators also point to a positive trend, even though a critical outlook prevails. This positive trend is evident in the fact that criticism and pessimism were somewhat less pronounced in comparison with earlier

surveys. This is especially true regarding those indicators that pertain to the people's opinion regarding their financial situation.

On the other hand, there is a pronouncedly critical outlook on ideological matters. In general, people are concentrating on pragmatic issues and those that deal with the business of living, and are not allowing themselves to be distracted by ideological veils. This is quite evident in those parts of our survey that deal with the social crisis and in those dealing with the ways out of the crisis; there is considerable agreement on stabilization goals. In the pronounced agreement on most of the stabilization goals one may perceive less emphasis on ideology in the search for solutions regarding work, privately owned resources, land cultivation, etc. As an example, let me cite the maximum amount of land permitted. This is the eighteenth year that the Slovenes agree that this is absurd. This year, two-thirds of those surveyed rejected this ideologically-based limitation.

The critical consciousness of the Slovenes has quite clearly disregarded two key factors of the political system: The League of Communists and the Socialist Alliance of the Working People.

[DELO] In your opinion, what has contributed to this more critical approach by the Slovenes?

[Klinar] Even in an earlier survey, the one taken in 1984, we noted a very critical approach, and we thought that it had peaked out. We were surprised to find out that people had become even more critical in 1986, and we do not know where the peak is.

We Are Between Optimism and Pessimism

The critical approach is certainly due to the crisis. There is a lot of data indicating that our crisis is both economic and political, as well as social. We can conclude that the crisis has not yet reached its highest point, because we have not noted complete apathy in the survey. It was surprising to find out that we were all to blame for the crisis, and that this was the most frequent response to the question of who was to blame. In my opinion, this response indicates a certain amount of apathy, because we had talked for a long time about finding the culprits. Since we were unable to "find" them, apathy set in and the people began to feel that if we were all to blame, then no one was to blame. Other data, which indicates confidence in the self-managing system and in youth, and the willingness to overcome the crisis through personal sacrifice could indicate that there are views contradicting the above and that such positive views could be used for action. Still, they either do not exist or else they are too weak.

Opinions regarding the crisis are not the only contradictory thing. Opinions regarding the future are also contradictory. On the one hand, there is a very pessimistic outlook regarding it (the standard of living will be lower, the prospects for relations between the nationalities are not the greatest, etc.), while on the other hand there are a number of optimistic opinions (most people are not afraid of losing their jobs, they are satisfied with them, etc.).

[DELO] One asks himself, which things in the Slovene public opinion represent the general views of the influential majority, so that one can, generally speaking, take them into account? What constitutes this Slovene majority that we are discussing?

[Klinar] For the most part, this majority is composed of skilled workers and mid-level officials. There are relatively few members of the upper and lower social classes, and there are very few peasants. One has to decide how to evaluate the majority's views. In decisionmaking, it is certainly necessary to pay a great deal of attention to them, but one still has to consider them with the composition of the majority in mind. At the same time, one must respect minority views, because in the future the majority will be composed of numerous minorities. For this very reason, one has to respect the views of the professionals. By combining all three elements, the decisionmakers will be able to find the necessary foundations for their decisions.

[DELO] What does it mean when you say that the sample of Slovenes who were surveyed was selected at random?

[Tos] The sample was selected in a manner that ensures appropriate participation by all the basic categories. The sample is selected and then approved, with people being selected in two ways. We first determine 140 points in the population area. Then we establish two more points near each of these 140 points, and then, using the lists of voters, we systematically select the individuals that we will survey. When the survey taker interviews the individual, he knows the individual's first and last names, date of birth, and address. Still, the respondents are selected at random.

[DELO] Is the critical outlook you mentioned definitely a manifestation of discontent?

[Roter] The critical outlook is an expression of discontent. Discontent is a sign of attitudes that are comparatively passive, whereas those who voice criticism have different outlooks. The survey indicates that we take a critical approach toward those institutions that are part of the political system and a positive approach toward different social and political movements.

[DELO] On the one hand, the survey indicates an exceptionally critical approach toward certain institutions that are part of the political system and, on the other, it is all too obvious that almost 60 percent of those surveyed have confidence in the system of socialist self-management. What about this contradiction between the very critical approach and the general confidence in the system?

[Markic] In spite of everything, people see that the system of socialist self-management was able, in spite of great weaknesses, to ensure a peaceful life and considerable stability. Above all, they expect functional efficiency, greater responsibility, and the possibility of alternate programs within the framework of socialist self-management.

An Outright Condemnation of Officials' Work

The Slovenes are very critical of those who have led us into the crisis. As many as four-fifths of those surveyed feel that the highest-ranking officials, those who are responsible for the crisis, should not be in their positions in the future. Only 4 percent of those surveyed think that these officials should continue to perform their duties. The awareness of the crisis has made itself forcefully felt in Slovene public opinion. The question is, are those who are responsible for the current situation turning a deaf ear? Direct public airing of the results of the work of public officials could eventually correct the problems.

[Roter] The contradiction between the majority's faith in the system of self-management and the highly critical approach could also be explained by the fact that the Slovenes are committed to the idea of self-management and to the general direction of development; at the same time, the key institutions of the self-managing system, as we understand it in legal and political theory, find themselves under a critical magnifying lens. This can explain the search for alternate solutions. A critical approach should be understood as a mere demand by the people for an improvement in the institutions of the political system, but also as a demand for a possible abolition of certain political institutions.

[DELO] What do the Slovenes think of the voicing of critical views at work and their immediate surroundings, and of the possible consequences?

[Markic] Almost 45 percent of those surveyed think that those who criticize publicly will suffer unpleasant consequences. The data indicates that we are still not a society of dialogues. Our task, therefore, is to make it possible to voice criticisms and to create an atmosphere in which those who voice criticisms will not suffer consequences.

DELO] There is a contradiction in the survey: The people are apathetic and, at the same time, they want to change the situation.

[Mlinar] That is true. One can perceive political apathy, and passivity if one looks at the formal institutionalized forms of activity in the broad socio-political area, including the self-management authorities. At the same time, in the last few years one could see a revival of the spontaneous forms of activity, and the young in particular have recently taken the lead. In everyday life, the people, without being conscious of it, have expressed this through various forms of self-help and mutual help. Things are different than before, when for the most part people waited for society to resolve the problems of child protection, the aged, etc.

Active, Limiting, and Destructive Reactions

I could say that there are three main ways of reacting to the crisis situation. The first I would call an active reaction, the second a limiting reaction, and the third a destructive reaction, both with regard to others and to one's self.

The active response to a crisis most frequently means additional work at home in one's free time, as well as mutual help and self-help in building housing, and in general replacing all those things that people lose when institutions stop or decrease their activities. One can see a great deal of various kinds of activities in the area of housing in places where in the previous decade we had encountered none, and spoke of sleeping towns. Now, there is revived activity in the towns where ten years ago, such activities were entrusted by society to various specialized organizations and institutions. The process of socialization of society's functions is the result.

We Gave Up on Long Trips

Among other things, I can see limiting or restrictive behavior in the fact that people, for the most part, give up larger living quarters for smaller ones, they limit their travels to a smaller area, and it seems that they no longer take long trips. Secondly, people tend to economize more, there is less new construction and more renovation of older structures, etc.

Destructive or demolishing behavior manifests itself, among other things, in the theft of peasants' produce in the vicinity of towns, lack of respect for the rights and property of others, corruption, failure to pay rent, juvenile delinquency, etc. Stated briefly, responses to the crisis situation are varied, even though we can see common denominators. One of them is the appearance of greater self-reliance in people's actions. One can also sense limits to this self-reliance, as if people were relying more than in the past on co-workers and neighbors. This decreases their self-reliance, and they are returning to the traditional forms of association.

[DELO] One can see this duality in the responses to many of the questions in the survey.

[Markic] This is true, and in spite of their apathy, the people are willing to change the situation. There is questioning, but one wonders whether the leaders will know how to utilize this willingness.

[DELO] The information from the survey would almost lead one to think that the Slovenes have made up their minds. What influence does this have on the social situation, and can one see in this the basis for any social changes and, through them, a way out of the crisis?

[Klinar] The data says that, at the beginning of the 21st century, our ways of thinking and decisionmaking are at the level of the transition from pre-industrial to industrial society. The industrial society needs standardization, coordination, specialization, concentration, mobility, etc.

The Slovene Remains an Individualist

The data on the thoughts and behavior of the average Slovene is surprising. His thoughts and behavior are quite removed from the characteristics of the industrial society. The responses indicate a pronounced individualism among the Slovenes. Independence is certainly a positive quality, but it is of

questionable value in an industrial society. The data also indicates a pronounced lack of spatial mobility. The Slovenes are historically tied to their birthplaces, and would not willingly move somewhere else. Many are attached to their villages. Most Slovenes live outside the large urban centers and till the land.

They are therefore opposed to cultural pluralism in inter-ethnic relations and, even more than in previous surveys, there was evidence of endogamous closeness and the establishing of basic relationships, primarily marriages, with other Slovenes.

Is it possible for the process of modernization to go on in spite of all this? I think there are problems. I also ask myself whether we could have avoided the crisis even if we had much better leadership than we did.

[DELO] Changes in the situation should also be based on better work performance. What does the survey say about how the Slovenes view work?

[Klinar] The basic category of our system certainly is work, and at the same time work is the most important ideological principle. Regarding work, the survey has demonstrated that some people are quite satisfied with their jobs, even though we are not applying the principle of compensation according to work performance.

We Are Utilizing Connections, Acquaintances, Corruption

People are not getting paid any more money for doing more work, and most of the Slovenes think this is true. This means that the crisis concerning paying according to work performance is growing in particular. Work is a basic factor regarding a person's situation. In this regard, however, and even more in regard to social advancement, we have ascertained that certain extraneous factors, such as connections, acquaintances, favoritism, bribery, etc., are important.

This year's survey also points out that there is growing alienation from work. People are working in order to survive, and work is therefore burdensome and not satisfying.

One is justified in asking how to motivate people to work. While it is certain that income is very important, we should not overlook moral incentives.

[DELO] It is evident that the Slovenes have a rather pessimistic outlook on the social situation and their own standard of living. It seems that they cannot really see a way out of the crisis.

[Klinar] Public opinion indicates a lack of prospects, but one should also mention the positive signs, even though we may not know how to take advantage of them. That is why there are no changes that would indicate that we are approaching the end of the crisis.

The ideological approach to overcoming the crisis has certainly been disputed. While ideology is highly developed in our country, our surveys indicate that interest in it is decreasing. This leads me to think that we should improve certain ideological norms. Thus, it would be advisable to review certain ideological norms in the framework of the political system. Recently, a major shift has taken place in public opinion. Generally speaking, we always used to obtain positive evaluations that were in accordance with ideological norms. Before the crisis, inter-nationality relations were felt to be good. Since the crisis, however, critical approaches prevail, generally speaking. Since the crisis is comprehensive, it also affects inter-nationality relations.

[DELO] What is the meaning of the fact that the people do not want to look at things ideologically? Is it possible that we are going from one ideology to another?

[Roter] The question is very well put. If I understand Professor Klinar, he was referring to ideology in the sense of dogmatic doctrine, which has been forced on the people for a long time. A great deal of the data in the survey indicates that the people are fed up with ideological indoctrination. One should also note it is becoming more and more likely that our system will be changed from the bottom up, and not from the top down.

Almost Every Person Would Participate in Various Movements

It is very evident that there is growing opposition to dogmatic ideology. This is most evident in the people's views on various movements (peace, ecological, etc.). For us, the fact that over 75 percent of the respondents were acquainted with these movements was surprising. What was even more surprising, 45 percent were willing to participate in such movements. It is no less surprising that 56 percent of those surveyed thought that these movements should either operate independently within the framework of the socialist alliance, or else independently outside it. If we consider the fact that the news media have not devoted any particular attention to these movements, one may assume that these spontaneous sympathies on the part of the people indicate that such initiatives are creating the room for the freedom of action from below.

[DELO] Still, are they not a reflection of events in Europe?

[Roter] Certainly, that influence is being felt, but these things used to be much more pronounced in Europe before, but they have never penetrated into our midst as they have recently. Data from all inquiries indicates that the year 1980, when Tito died, was the most euphoric and positive year. The difference between the stated and real moods of the people was very small. Then this mood took a catastrophic plunge to the point we discovered this year. The struggle with the hard realities of life after 1980 has brought about a different mood and could cause a great conflict between the normative and declarative moods, as long as this situation persists. If in the future our elections remain as they were this year, when we tried to fix things with minor changes, I have doubts whether the outcome will be the same as this year.

[DELO] Talking of a transformation from below, it would be interesting to find out what the survey data says about the influence that the common man has on decisions dealing with the major social problems.

[Markic] As many as 60 percent of those surveyed responded that there was no such influence. It is clear that we must deal with many centers of decisionmaking, which are making decisions on behalf of society and even manipulating it. I think that in our case this has also contributed to the decrease in initiative, which for a number of years was a relatively important comparative value in our system as compared to the system of real socialism. Recently, the average man's strength of initiative has been decreasing, most probably because he is very frequently subjected to numerous administrative decrees. This makes him less willing to take the initiative.

Not Enough Attention Is Being Paid to Opinions of "Average People"

The question of whether the political leaders are paying enough or too little attention to the people's opinions when it comes to making important decisions is directly related to this. In a way, the question of the influence that average people have on important social decisions and whether the political leaders respect their views has been well covered. Three-fifths of those surveyed feel that these views are not being taken into account much. Public opinion is decidedly in favor of social control. That is to say, it is evident that as long as there is political authority, it is not only used but also abused.

If we get into a polemic about the fact that the extent of confidence in the political system is great, I would like to add that this holds for the system of self-managing pluralism, a real pluralism, and that the confidence that the people express also pertains to it. Furthermore, confidence in the system does not have to be only or primarily confidence in the political leaders. The situation has changed very quickly in this regard in Yugoslavia in the past five years. In the past, confidence in the system for the most part meant confidence in the established historical figures on the Yugoslav scene. When these people left the stage, the situation changed. People are more interested in the aspects of the system, and do not commit themselves to individual political leaders.

[DELO] Did different social categories of people respond differently to the questions that were asked?

[Klinar] We have been talking of averages all along. Different social categories would certainly respond differently in regard to directions for development and modernization. If we take work motivation as an example, we can always note in public opinion a pronounced egalitarianism, which characterizes the lower social classes, the less trained, less educated, and those with lower incomes. They are certainly not inclined toward economic inequality. In this year's survey, many more groups came out in favor of smaller differences.

Maribor Model Would Reject Compensation According to Work Performed

As many as 10 percent of those surveyed demand the smallest differences in income and an extreme egalitarianism. Clearly, this is the case with the least skilled groups of inhabitants. Approximately 19 percent opted for a 1:2 ratio, and one-fourth for a 1:3 ratio. This is a tendency to level wages, and in practice it probably would not allow for more differentiation in compensation according to work performed.

We can be pleased by the fact that the people's orientation toward solidarity is not waning. There has been a noticeable decrease in extreme solidarity, according to which development of the underdeveloped regions took precedence. There has also been an increase in a particularist, one could even say nationalistic, outlook, according to which the underdeveloped regions should take care of themselves. The number of those who advocate this position has been growing since the beginning of the crisis.

[DELO] What is the extent of solidarity between the Slovenes and the workers from other republics?

[Klinar] As far as workers from other republics are concerned, the situation is more complex. Opinions gleaned from the public opinion survey certainly indicate that these relations are for the most part good. At the same time, there have been responses to the effect that internal migrations are threatening the language, culture, jobs, and the overall economic development in Slovenia. The number of those who feel this way is growing with the crisis.

A Very Small Percentage of Slovenes Favors Assimilation

This year we have tried to find out in great detail how to deal with workers from other republics who are still in Slovenia. Sixty-three percent of the Slovenes feel that they should adapt and learn from the Slovene language, while at the same time preserving their own language and customs. This does not deal with cultural pluralism, but rather with greater adaptation. This was concealed in the second part of the question, and only 14 percent of the Slovenes that were surveyed were in favor of it. The great majority favor a situation that could be described as limited cultural pluralism or partial pluralism. This indicates limited solidarity. A very small percentage of Slovenes are in favor of assimilation. We should not overlook the fact that 8 percent of the Slovenes, who view assimilation in this manner, are proposing it as a solution for the relations among other ethnic groups.

[DELO] Recently, there has been talk of nationalistic incidents in Slovenia. How did the Slovenes that were surveyed learn of them?

[Klinar] Data showed that most Slovenes do not know about such nationalistic incidents, and have not experienced them. Some mentioned the events in Idrija or those at sports events that had become publicly known. For the most part, such events were viewed as instances of crudeness, quarrels, fan loyalty, and also as being partly due to national intolerance.

[DELO] Some of the questions in the survey also deal with the role and activities of the League of Communists. Would the Slovenes miss the Socialist Alliance of the Working People if it were to stop functioning?

[Markic] Approximately two-fifths of those surveyed feel that, generally speaking, they would not miss the Socialist Alliance a great deal. What should we do to have more people who would want a Socialist Alliance? It seems to me that the Socialist Alliance of the Working People should not become mired in generalities, and it should not wait for the green light from the League of Communists. Nowadays, the Socialist Alliance in Slovenia is in a certain sense squeezed too much between the state and the party, although probably less than in other areas.

In comparison with previous years, there is much more criticism of the Socialist Alliance. I think that this is especially important, if the Socialist Alliance is to resolve all the questions that directly bother the people. Slovene public opinion has taken more of a position that the Socialist Alliance is not only an instrument for directing people, but also for action. In a crisis, we miss this the most. Social action is the only possible way out of a crisis.

[DELO] Is it possible to draw any conclusions from the survey regarding the Slovenes' patriotism?

[Roter] We Slovenes are great patriots. In some parts of Yugoslavia the Slovenes have the reputation of not having the right attitude toward the army. This poor reputation is especially due to some actions of our youth organizations. The responses of those surveyed, however, indicate that as many as 70 percent of the Slovenes are willing to sacrifice their lives for their country. The only thing that rated higher was the willingness to sacrifice one's life for those who are near and dear. Finally, as many as 84 percent of the Slovenes felt that any defensive war was just, including any defensive war that we might have to wage. As many as 75 percent of the Slovenes also feel that any war of liberation is a just one. For this reason, the Slovenes are completely justified in having somewhat different views on certain other things.

Many Are Enthusiastic About Civilian Service Instead of Military Service

Let us emphasize the fact that approximately 45 percent of the Slovenes feel that our system should make it possible for those who do not want to perform military service to perform an alternate, so-called civilian service. Almost half of the Slovenes oppose having women serve in the military. It is therefore clear that the foundations of the All-People's Defense are not functioning and we could say the Slovenes' knowledge of their duties in the event of an attack has decreased. In 1980, 70 percent of those surveyed knew what their role was. This year, that number has dropped to 55 percent. This does not mean that the Slovenes do not care about this. Rather, it means that, in the general context of the All-People's Defense, there are many unresolved questions. Statements are one thing, deeds another.

[DELO] Why do you always offer the answer "I do not wish to respond" to questions dealing with religion?

[Roter] This is always a part of the methodology of any survey. In this case, this was also done to make it possible for all those who did not wish to respond to so do. Also, public opinion surveys are acquiring the reputation of not being objective or anonymous, and that the data is not accurate, especially with regard to religion and faith. Certain people in church circles still think that one should add another 10 percent or so to what the statistical data says, since that is the approximate number of those who do not wish to answer truthfully. Long years of research, however, unequivocally indicate that the people are not restrained when they state their preferences.

[Klinar] People are not willing to answer truthfully certain questions in our questionnaires. We think that those could be certain questions dealing with the political system and religion. In the respondents' view, there are no problems with any other questions.

[DELO] This year, you included for the first time a question on the celebration of Christmas. Why did you decide to do this, and how do you explain such a high percentage of those who celebrate Christmas?

[Roter] We decided to do it because it is now permissible to discuss Christmas. We established that 79 percent of those surveyed celebrate Christmas. Such a high percentage indicates that the post-war policies and doctrine were not able to push Christmas out of the people's minds as a family holiday. Among those 79 percent, 36 percent celebrate Christmas as a traditional family holiday and not as a religious one. This indicates that the church has not been able to completely "claim" Christmas, which would have been natural to expect because of outside pressures.

[DELO] Do you see as surprising the fact that the number of those who would like to see Christmas a holiday is 20 percent lower than the number of those who celebrate Christmas?

[Roter] Fifty-nine percent of Slovenes would like to see Christmas a holiday, and they exceed in number those who are believers. Those who make policies which determine these things should take into account such a high percentage of people. Deciding or not deciding to do this is part of cultural policy.

[DELO] What is the trend with regard to religion in the upcoming period?

[Roter] We noted the lowest point for religion in 1978. From that point on, it has been growing little by little. In 1978, 48 percent were believers, and this year there are 52 percent. When one compares the time periods, this fact acquires a different meaning. We have established that the percentage of non-believers was highest in 1978 (43 percent), and that it has fallen to 34 percent in 1986. The data indicates more than anything else that this process has come to a halt and that the first signs of a religious revival have become visible. There has not been a corresponding increase, however, in attendance at church services.

[DELO] This year you did not ask the question whether believers could also be members of the League of Communists. In the 1984 survey, one-third of those surveyed said "yes". How do you explain this fact?

[Roter] I think that this is a rather large number. For the most part, it was the lower social strata who said that believers should be accepted into the League of Communists, the same strata that accounts for most of the believers. Those who oppose this are for the most part evenly divided between the church faithful and complete nonbelievers. The opposition is clearest in both extremes. This is linked to the tradition of anti-communism in the church and the aggressive atheism in the League of Communists.

[DELO] In your opinion, is this number high enough to warrant having the policymakers devote serious attention to the question of accepting believers into the League of Communists?

[Roter] In my opinion, it is.

[Markic] This fact indicates that during a crisis, the people are thinking of ways out, while the authorities are thinking of a revival of the League of Communists. They feel it is wrong that those who are honest and at the same time believers are not members of the League of Communists. The question is caused by the crisis in the League of Communists, just as at one time the ideas of certain leading Marxists concerning the possibility of allowing believers to join the League of Communists were caused by ideological confusion.

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